

A Nobel Exhortation: 'Let New Age Be Born!'

Jointly Accepting Peace Prize in Oslo, Mandela and de Klerk Voice Optimism

By John Darnton
New York Times Service

OSLO — The two were opponents and collaborators — one the freedom fighter who suffered nearly three decades in prison, the other the enforcer of the white power structure who finally bowed to the imperative for change.

On Friday, they accepted the 1993 Nobel Peace Prize for their great joint enterprise of bringing peace and nonracial democracy within reach of South Africa.

In speeches that merged and diverged like tributaries of the Limpopo River, Nelson Mandela and President Frederik W. de Klerk looked to a future of rejoicing and prosperity for their country, shed of the fears and injustices of apartheid.

Both said the rewards of peace might someday be measured in the happiness and welfare of children. Both said there were dangers ahead, should the process of negotiation and multiracial cooperation that they started be derailed by extremists. And both, at least for the day, were optimistic.

"Let a new age be born!" proclaimed Mr. Mandela at the end of his address, beaming as thousands applauded inside a cavernous hall of marble and murals in the Oslo City Hall.

The new age is supposed to start in April, when the first elections based on universal suffrage end the era of white minority rule — a time, Mr. Mandela said, when "all humanity will join together to celebrate one of the outstanding human victories of our century."

That triumph will finally bring to a close a history of 500 years of African colonization that began with the establishment of the Portuguese empire, he declared.

The election, said Mr. de Klerk, will "not be about blacks or whites, or Afrikaners and Xhosa" or "apartheid or armed struggle."

"It will be," he said, "about future peace and stability, about progress and prosperity, about nation building."

"Five years ago, people would have seriously questioned the sanity of anyone who would have predicted that Mr. Mandela and I would be joint recipients of the 1993 Nobel Peace Prize," he noted, and a titter of laughter from the audience told him he was right.

Two previous human-rights campaigners from South Africa have won the Peace Prize, both black. The Zulu Chief Albert Lutuli won in 1960 for leading passive resistance to racist laws. The Anglican Archbishop Desmond Tutu won in 1984 for his stance against apartheid in his public speeches.

The award, established in the 1895 will of Alfred Nobel, the inventor of dynamite, includes a gold medal, a diploma and a check now worth about \$810,000, which will be shared.

When the selections were announced in October, some commentators felt that the life-long contribution of Mr. Mandela, the 75-year-old patriarch of the anti-apartheid movement, so outweighed Mr. de Klerk's that a joint award was inappropriate.

Mr. de Klerk, 57, took office as acting president in August 1989, and then was elected the following month. Some changes in dismantling apartheid were already under way, such as repeal of the passbook and influx-control regulations, which were intended to keep blacks out of cities.

But once in office, he sped the changes up considerably. Public protest was legalized, bans were lifted on the African National Congress and the South African Communist Party, and political prisoners were released. On Feb. 11, 1990, after serving 27½ years in prison, a gray-

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Hamas members leading a protest against the Israeli-Palestinian peace pact Friday in the Gaza Strip. Israelis later broke up the march.

3 Palestinians Killed as Violence Surges

By David Hoffman
Washington Post Service

JERUSALEM — Three Palestinians were shot and killed on Friday while sitting in a parked car, and radical Jewish settlers said they carried out the attack to avenge the shooting death earlier this week of two Jews.

The killings occurred near Hebron in the West Bank, which has been the scene of clashes between settlers and Palestinians over the last week. Earlier in the day, a series of knifings and shootings in the Gaza Strip wounded two Israelis.

In an interview broadcast Friday night on Israeli television, Prime Minister Yitzhak Rabin sought to calm the public, shaken by one of the most deadly and sustained periods of violence in recent years.

"We are predicting a period of difficulty and

pain," Mr. Rabin said, but he warned that without the agreement between Israel and the Palestine Liberation Organization, "the terror will increase."

In a surprise move, Hanan Ashrawi, one of a new generation of Palestinians from the territories who gained worldwide attention last week as a spokeswoman for the delegation to the peace talks, said she would refuse to accept an appointment in the new Palestinian governing authority.

Mrs. Ashrawi, who was to be appointed the Palestinian envoy in Washington, said she had begun organizing a new, independent commission to support democracy and guard against human-rights violations under the new Palestinian authority.

The violence came just days before the deadline for Israel to begin its military withdrawal

from the West Bank town of Jericho and the Gaza Strip. Mr. Rabin and the Palestine Liberation Organization chairman, Yasser Arafat, will meet Sunday in Cairo in an effort to narrow outstanding disagreements on the pullout. Mr. Rabin pledged an "intensive" effort to resolve the disputes.

Even if an agreement is not reached by the Monday deadline, Israel is expected to leave a base in a Gaza refugee district in a symbolic move to demonstrate that the process is still moving ahead.

As the deadline approaches, Palestinian radicals and Jewish extremists have been exchanging deadly attacks. Last Sunday, an Israeli was gunned down by a Palestinian, who was also killed, in a bus attack.

On Monday, a Jewish settler, Mordechai La-

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EC Leaders Deny Delors Full Support On Jobs Plan

Concern Over Spending Dominates the Summit, Trade Issues Sidelined

By Tom Buertke
International Herald Tribune

BRUSSELS — European Community leaders expressed support here Friday for a long-awaited plan to tackle the bloc's record unemployment, but they looked likely to stifle the plan's core, a multibillion-dollar borrowing program to finance huge public works projects.

Despite the deadline Wednesday to complete a world trade accord, the 12 EC leaders mostly avoided formal discussion of trade at their summit meeting, except to endorse the jobs plan's call for the Community to remain committed to open markets and a global trade deal.

They deferred a serious discussion on the General Agreement on Tariffs and Trade talks in Geneva until the global negotiations there produce a deal that can be voted on, at a specially convened EC meeting Monday. Those talks ran into more trouble Friday as the United States and the Community quarreled over opening up shipping services. (Page 11)

The EC leaders largely endorsed a proposal by the EC Commission, the Community's executive agency, to build trans-European transportation and information links to create employment and bolster Europe's competitiveness, but most of them said they were not convinced that the job required new money.

The meeting had been billed for months as a jobs summit because of concern about the Community's entrenched unemployment, now at a postwar high of 17.5 million, or more than 10 percent, and rising.

Prime Minister John Major of Britain said the idea was out of step with government attempts to cut their deficits as the basis for restoring sustainable growth, a policy that the plan also supports.

"It would be absurd for the commission to increase its borrowing when member states are taking severe action to reduce theirs," he said.

The originator of the program is Jacques Delors, the head of the EC Commission, whose term runs out at the end of next year and who appears to have staked much of his political reputation on the outcome of the debate.

The leaders also showed little enthusiasm for making any concrete commitment to embark on the projects or carry out other planks in the jobs plan.

President François Mitterrand of France, a staunch supporter who first floated the idea of a big borrowing program earlier this year, urged his partners to give Europe's jobless "a signal of hope" by setting a firm and early deadline for governments to come forward with their infrastructure projects.

But a commission official said the final communiqué to be issued Saturday at the end of the two-day summit meeting probably would commit the leaders only to reviewing the idea at the next regular meeting, which is to be held in Greece in June.

At a breakfast meeting with Mr. Major, Prime Minister Edouard Balladur of France received a signal that London would not block French demands for cash compensation for its farmers in return for supporting a global trade agreement. A spokesman for Mr. Major said Britain was opposed only to an increase in the

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Bitter Heartland Means Hard Times for Yeltsin

By Leo Hickster
Washington Post Service

TOGLIATTI, Russia — If the social upheaval that has swept Russia in the last two years is almost inevitable, an elected backlash against President Boris N. Yeltsin's reforms, as some analysts predict, it is a good bet that it will happen here.

Cities like Togliatti, which is home to Russia's largest carmaker, the Volga Auto Factory, have been joined by declining production, soaring prices and a sharp increase in crime since Mr. Yeltsin's reforms took hold two years ago.

Many people here say that when they vote on Sunday to elect a new parliament, they plan to show their displeasure by voting for Mr. Yeltsin's most bitter opponents.

In dozens of interviews this week — here in the nearby industrial city of Samara, and in the agricultural belt around the southern city of Krasnodar — a slim plurality said they would support reformist candidates who gen-

erally back Mr. Yeltsin's policies. Most opinion surveys indicate that pro-reform parties will do well in the vote.

But the impression was that support for the opposition, including ultranationalists and Communists, is sufficiently widespread that Mr. Yeltsin could find the next Russian legislature nearly as difficult to work with as the last.

One of Mr. Yeltsin's own top local officials predicted that the vote Sunday would be split almost evenly between generally pro-Yeltsin, reformist parties and hard-line nationalists and Communists.

"It will be a very powerful opposition in the parliament," said Lev Liapin, a former architect who is Mr. Yeltsin's representative in Samara.

Particularly worrying for Yeltsin officials is what appears to be a surge of support for Vladimir Zhirinovskiy, an ultranationalist

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An unemployed man and his children viewing campaign posters Friday in Moscow.

'Grave Step,' China Says, as Patten Submits Reforms

By Kevin Murphy
International Herald Tribune

HONG KONG — Defying China, Governor Chris Patten on Friday sent a democratic reform bill to the Hong Kong legislature, the first formal step toward enactment of measures Beijing rejects as unacceptable.

"We need that legislation by the end of February," Mr. Patten said as he had the proposal published in the official gazette. The Legislative Council, which acts as the colony's parliament, will begin discussions on the measure Wednesday.

The bill is a stripped-down version of the electoral proposals that have vexed Beijing and London in a dispute and greatly unsettled Hong Kong since October 1982.

Despite the limited nature of the bill, Mr. Patten's action drew a sharp rebuke from the Chinese.

"This was a grave step taken by the British Hong Kong authorities on the road of confrontation with China," said Zhu Yucheng, deputy director of the Xinhua news agency, Beijing's de facto embassy in Hong Kong. "The British side should bear all the consequences arising from it."

The Chinese contend that the reforms violate

agreements Britain made on the return of Hong Kong to Chinese sovereignty in 1997.

Anticipating Britain's decision to act without China's consent, Beijing has accelerated its preparations for governing Hong Kong after 1997 — including rapid development of a potentially destabilizing shadow government. Implicit in the preparations is a Chinese threat to uproot the British arrangements.

But foreign and local investors appeared to ignore Friday's plunge in British-Chinese relations.

The local stock market's Hang Seng index burst through a critical 10,000 barrier in a fourth consecutive record close that shattered turnover records as well.

"The electoral bill is not going to stop this market," said James Osborn, a director of Baring Securities.

There has been a lot of money waiting on the sidelines for a downturn, Mr. Osborn said of a market-shaking response to Mr. Patten's strategy from Beijing that has yet to materialize. "When it didn't arise, they came pouring in."

The bill submitted Friday proposes a one-vote, one-seat format for the 20 seats in the 60-member Legislative Council that are chosen by direct election. The legislation also seeks to

drop the voting age from 21 to 18 and abolish appointed membership to local municipal government bodies.

In addition, the bill would allow 28 Hong Kong residents who are members of China's parliament, the National People's Congress, to run for elections and hold office in the Legislative Council.

However, the legislation, which has brought most other British-Chinese diplomatic business to a standstill, sidesteps the most controversial aspects of a package of electoral reforms first proposed by Mr. Patten last year.

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Dow Jones	Up 18.89	Trib Index	Up 0.25%
	3,740.67		108.45
The Dollar	FF 1.6973	Francs close	1.7037
DM	1.4945		1.4945
Pound	108.21		108.86
Yen	5.811		5.8388

Newsstand Prices				
Andorra	9.00 FF	Luxembourg	40 L	Fr
Antilles	11.20 FF	Morocco	12 Dh	
Comoros	700 CFA	Qatar	8.00 Riels	
Egypt	9.00 FF	Saudi Arabia	9.00 R	
France	9.00 FF	Senegal	280 CFA	
Gabon	9.00 CFA	Spain	200 Ptas	
Greece	280 Dr	Turkiso	1,000 Din	
Ivory Coast	340 CFA	Turkey	T.L. 10,000	
Jordan	1 JD	U.A.E.	8.50 Dirh	
Lebanon	1,500 L.L.	U.S. Mil. (Eur.)	\$1.10	

With Burst of Power, Fusion's on Its Way

By Boyce Rensberger
Washington Post Service

PRINCETON, New Jersey — The long-repeated promise of abundant and clean electrical power from controlled nuclear fusion — the same process that drives the sun — took a large step toward reality here as scientists achieved a world record in the amount of power produced in a fusion reactor.

Physicists at Princeton University's Plasma Physics Laboratory fired up their \$1.4 billion test reactor with significant quantities of a fuel that had never before been used in such high concentrations. They produced at least 3 million watts of power in a single burst.

The previous record was 1.7 million watts, produced by a European fusion reactor. Over the next few months, the Princeton group expects to run its reactor in repeated pulses, ultimately stepping up to 10 million watts.

"We're on our way to achieving the goals of fusion power," the lab's deputy director, Dale M. Meade, said after applause died down in the reactor's control room during the test on Thursday.

"This is an exciting moment," said Marshall Rosenbluth, the dean of fusion theorists who flew in from his post at the University of California at San Diego to be present. "We knew this day was going to come, but we always thought it was a long way off."

Previous research on fusion power had used a heavy isotope of hydrogen called deuterium as its sole fuel. But atomic theory had predicted that a reaction between deuterium and another hydrogen isotope called tritium should produce far more power.

For the first time, researchers were using substantial amounts of tritium, a radioactive gas used to enhance the power of thermonuclear

warheads. The Princeton lab's goal is to reach an output of 5 million watts by the end of this year. That projected output would be 200 times more than the reactor had produced before and 50 million times as much as early fusion reactors achieved in the 1970s.

That feat, however, would still be a long way from the creation of a practical source of electrical power, which scientists said is not likely to become a reality for at least 40 years. For one thing, the amount of energy consumed to achieve fusion in the Princeton machine would be about six times as much as it produced.

Nonetheless, it would be a major milestone in the decades-long attempt to harness the energy of nuclear fusion. Many scientists and engineers have long hoped that the process — which uses cheap, readily available fuel and creates no

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Kiosk

U.S. to Drop a Cold War Export Ban

WASHINGTON (AP) — The Commerce Department opened the door Friday to U.S. export of fiber-optic transmission technology to China and the former Soviet Union.

The preliminary decision to lift the Cold War ban was in response to a petition by American Telephone & Telegraph arguing that unrestricted foreign competitors were gaining huge advantages in potentially lucrative markets.

TODAY

Today and every Friday and Saturday through the ski season, the Herald Tribune presents up-to-date reports on conditions at the leading European and American resorts. Page 24.

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Crossword Page 4

Rating the World's Best Restaurants: UNITED STATES

The United States is the next stop on Patricia Wells's tour to rate the world's top restaurants. The third monthly report in this series by the Trib's restaurant critic will appear on Monday.

Major and Reynolds Report Progress on An Ulster Accord

By Craig R. Whitney
New York Times Service

BRUSSELS — British and Irish leaders on Friday discussed the text of a proposed joint statement to encourage peace in Northern Ireland, but said they needed to meet again before Christmas to try to finish it.

Prime Minister John Major of Britain and his Irish counterpart, Alfred Reynolds, met for an hour during a European Community in Brussels and agreed that lower-level officials on both sides had made progress since the last time the two leaders talked Dec. 3.

In a joint statement made public after their talk, the prime ministers said that they wished "to bring the exercise between the two governments to a successful conclusion" and hoped "to hold a further meeting before Christmas to this end."

Irish officials said this could take place in London next week, but gave no details about Friday's talks.

The two governments are trying to agree on a formula encouraging negotiations between parties representing the Irish Republican Army, which draws its support from the Catholic nationalists in the North who oppose British rule, and the Protestant unionists who want to remain part of Britain.

The statement that the two leaders are trying to agree upon would try to reassure both sides and open

up the possibility of negotiations between them. The British also want Ireland to acknowledge that it would be prepared to revise its constitutional claim of sovereignty over the North, which many Protestants there see as a threat.

Mortar Attack Is Foiled
The police in Ireland said Friday that they believed officers had foiled a planned mortar attack. The Associated Press reported from Dublin. Sources said Northern Ireland security forces were the target.

A spokesman for the Irish police said officers discovered four fully primed mortars in a car Thursday night in Letterkenny, County Donegal, 14 miles (22 kilometers) from the Northern Ireland border checkpoint at Strabane.

An Irish Army bomb disposal team defused the mortars, the police said.

Security sources believe the IRA was planning a spectacular mortar attack on security forces in Northern Ireland to coincide with the Major-Reynolds meeting.



DAILY BREAD — Georgians handing over food coupons to get their daily bread allotment Friday in the Georgian capital, Tbilisi.

To Havel, Acceptance of Gypsies is 'Litmus Test'

By Henry Kamm
New York Times Service

PRAGUE — To President Vaclav Havel, the hardships faced by Eastern Europe's Gypsy populations, like violence against foreigners, are rooted in the lack of preparation by people to assume the responsibilities of freedom after living under repressive governments for so long.

"I have often compared the condition of our society, of all societies that have rid themselves of communism, to the post-penitentiary condition of someone released from prison," Mr. Havel said recently. "Someone I have experienced a number of times myself."

Apparently to help him forget the years he spent in drab prison cells for his dissident activities, Mr. Havel has used startlingly colorful postmodern motifs to paint over the Communist staidness of the walls in his stately suite of offices, and has hung many works of current Czech art.

"A person who was accustomed for many years to living under rigorous rules that prevented him from making his own decisions

suffers from a kind of shock, which manifests itself in many ways," Mr. Havel said. "It is a sudden change, which brings new freedom and responsibilities, and many find it difficult to cope with them."

"They find themselves in a state of uncertainty, in which they tend to look for pseudo-certainties," he added. "One of those might be submerging themselves in a crowd, a community, and defining themselves in contrast to other communities."

Most Gypsies in the Czech Republic have lost more from the freedom of enterprise and opinions than they have gained. Unemployment among them is many times higher than the rest of the population because their jobs, mainly as unskilled labor, have been eliminated in the campaign to rehabilitate the economy.

At the same time, free speech has made Gypsies the targets of vituperation that under the communism could be expressed only in whispers. Three Gypsies have been killed by skinheads since 1990, the Interior Ministry said, and five were slain by neo-Gypsies for reasons courts have not determined.

The impossibility of speaking openly about latent social problems and trying to resolve them under communism as well as the absence of freedoms even before communism prevented the creation of true "civil societies," Mr. Havel said. "All this has contributed to the fact that we are now witnessing manifestations of intolerance, xenophobia, racism and nationalism."

While urging "constant and patient efforts to promote a climate of tolerance, cooperation and coexistence," he acknowledged that this might prove harder than adopting laws or decrees.

But Mr. Havel did not offer any specific measures or campaigns that he or the government of Prime Minister Vaclav Klaus are advancing to reduce tensions.

In interviews here and in the northern Bohemian industrial city of Usti nad Labem, a major center of Gypsy industrial workers, they and their supporters asserted that the government was doing little to foster the climate that Mr. Havel advocated.

The president said the Gypsy problem illustrated what he said was the important

distinction between creating democratic institutions and fostering a spirit that would make them work at their best.

"The Gypsy problem is a litmus test not of democracy but of a civil society," Mr. Havel said. "The two are certainly two sides of the same coin. One is unthinkable without the other. One means legislation to enable the people to vote and make them the source of power. The civil society is related to human behavior."

He continued: "I think in the Czech Republic we have created all the basic institutions of democracy — political parties, a parliament, elections. Now much more effort should be focused on building a civil society, to promote a climate that would encourage people to act as citizens in the best sense of the word and drive out manifestations of intolerance even without a threat of repression."

Mr. Havel, without sounding optimistic about achieving this goal, added: "This is what I see as the biggest challenge of our time."

WORLD BRIEFS

Clinton Is 'Aggressively Pursuing' Pact on Korean Nuclear Inspection

WASHINGTON (AP) — President Bill Clinton said Friday that he was "aggressively pursuing" an arrangement to allow inspection of North Korean nuclear sites, and he held out hope for an eventual agreement.

The president spoke as U.S. and North Korean diplomats were conducting another round of exploratory negotiations in New York.

The meeting between Thomas Hubbard, a State Department expert on East Asia, and North Korean envoys to the United Nations was the occasion for the first official U.S. response to North Korea's proposal last week offering partial inspections at its two most important nuclear installations.

As usual, State Department officials kept details of the talks quiet. Mr. Hubbard had been expected to make clear that the United States and the International Atomic Energy Agency consider the North Korean offer inadequate. But Mr. Hubbard was not to reject it out of hand, officials said.

Occhetto Questioned at Own Request

ROME (Reuters) — Achille Occhetto, a possible future Italian leader after his local election triumph last weekend, was questioned by anti-corruption investigators on Friday, his party said.

A spokesman for the former Communist Party, the Democratic Party of the Left, said Mr. Occhetto had been questioned for two hours in Milan by Judge Antonio Di Pietro, but declined to give further details. Party sources said Mr. Occhetto appeared by his own request and without a lawyer.

His party, clear winner in mayoral elections this month, has remained relatively unscathed by a two-year corruption scandal that has devastated Italy's traditional government parties. But there have been frequent allegations that party leaders knew about the widespread practice of businessmen making illegal contributions to secure favors from political parties.

Russia Denies Imposing a NATO Veto

MOSCOW (Reuters) — Foreign Minister Andrei V. Kozhevnikov played down a diplomatic standoff with NATO on Friday, denying that Moscow was trying to impose a veto on East European nations joining the Western alliance.

Mr. Kozhevnikov, speaking after accompanying President Boris N. Yeltsin to Brussels, seat of NATO headquarters, said Moscow had won clear understanding of its view that the time was not right for Russia's East European neighbors to join the alliance.

"Although we are not imposing a veto and we are not dictating to East European countries what to do, we have our own opinion," he said. In the long term, he added, it was possible that Russia too might eventually join the North Atlantic Treaty Organization, against which Soviet and Warsaw Pact forces were ranged throughout decades of the Cold War.

Algerian Hijacker Is Foiled in Nice

NICE (Reuters) — The police overpowered a lone Algerian hijacker who seized a French airliner at knife-point on Friday and demanded to be flown to Libya, officials said.

Witnesses said the hijacker, Nordine Zaoui, 34, a criminal convicted in France and Algeria and a frequent patient at psychiatric hospitals, was arrested at Nice airport after leaving the 123-passenger aircraft and being tricked into leaving the plane by a police officer. As he emerged from the plane, apparently to negotiate, a policeman crouching in hiding at the top of the steps sent him tumbling with a strong push. More policemen seized him.

The hijacker held the two pilots and four cabin staff of the Air France Airbus A-320, on a flight from Paris to Nice, for about 90 minutes. Then one of the crew simulated a fit and the whole crew escaped. Police sources said the hijacker threatened to commit suicide with his knife when he realized he was alone on board.

Colombian Drug Ring Seeking a Deal

BOGOTA (AP) — Leaders of the Cali drug ring, rid of their chief rival, Pablo Escobar Gaviria, have reopened an offensive to negotiate a settlement with the government that would allow them to legalize their drug fortunes and serve a minimum amount of time in prison.

With the police having gunned down the leader of the Medellin cartel in his home city a week ago, Colombian and American officials now face the larger task of dismantling the dominant, skilled Cali organization.

But the government's proposal to settle with members of the Cali cartel, first floated in March, has taken on new life with recent changes in the penal code — approved after open lobbying by lawyers of the cocaine traffickers — and the death of Mr. Escobar. The deal would exchange short prison terms for cartel promises to dismantle operations. The source of the traffickers' massive wealth would not be challenged, in effect making them legitimate businessmen.

For the Record

A Gambian airliner collided with a light plane over Senegal's Dakar airport Thursday but landed with its 49 passengers and crew unhurt, airport officials said Friday in Dakar. The plane, a Twin Otter, crashed into the sea, killing the three Senegalese aboard. Officials said the airliner was taking off and the smaller plane was landing when they hit. (Reuters)

TRAVEL UPDATE

Euroloines Moves Paris Bus Terminal
PARIS (IHT) — Euroloines, a scheduled international bus service, has opened a new terminal at Bagnelet, east of Paris, replacing those at La Villette and Charonne. The site was selected because of easy access to highways and proximity to the center of Paris, to which it is linked by Metro.

The terminal includes a waiting area with electronic arrival and departure boards; and an experimental system for tracking buses by satellite communication. The company said it was planning to expand services to East Europe, Germany and Italy.

The building of the Channel Tunnel was finished Friday as the operating authorities took over from the construction consortium. This summer, British Rail and France's SNCF will start train services between London and Paris. (Reuters)

USAir will start nonstop service from Tampa, Florida, to Mexico City on May 1. The carrier will offer vacations of 2 to 21 nights in Mexico City. It said it would publish prices at a later date. (Reuters)

Athens bus drivers called a temporary halt to a two-day strike Friday as a Christmas goodwill gesture, but pledged to resume action to protest government plans to rationalize the city's bus services. Most of the drivers bought their buses in August last year when Conservatives privatized the services. The Socialists plan to reverse this. Under a draft bill the government would buy back 1,700 buses at 500,000 drachmas (\$2,046) each — the amount they were sold for — and set up a new state transport company. (Reuters)

Russians Undergoing Major Revival Of Religious Faith, a Report Finds

New York Times Service

NEW YORK — A report on religious changes in Russia has put numbers on what was already viewed as an extraordinary revival of faith. The report, made public in Washington by the National Opinion Research Center, found that by 1991 a third of the Russians who once considered themselves atheists had become believers in God.

The report analyzed data collected in May and June 1991, when the Russian Center for Public Opinion Research in Moscow asked a representative sample of 2,964 Russians

to describe both their past and present religious beliefs and practices.

The 1991 poll showed that although only 1 out of 10 Russians reported having been raised in the Russian Orthodox Church, almost 1 out of 3 now said they were affiliated with it. The 1991 data were not available from the Russians for analysis until this year.

Despite assertions that Orthodox officials had supported the Communist government, three out of four Russians expressed "a great deal" of confidence in Orthodox leaders now, the poll found.

Continued from Page 1

widely dismissed as a crackpot, especially by the intelligentsia. Many people in the capital do not regard him as especially dangerous, if only because they do not take him that seriously.

But as a presidential candidate in 1990 challenging Mr. Yeltsin, Mr. Zhirinovsky received 6.2 million votes — 8 percent of those cast. In interviews in Samara and Togliatti this week, many industrial workers, engineers and blue-collar workers said they would vote for Mr. Zhirinovsky's Liberal Democratic Party on Sunday.

In interviews outside the huge Volgograd plant and in Samara, his support appeared nearly to rival that of the main pro-reformist bloc in the election, Russia's Choice.

Mr. Zhirinovsky's partisans blame immigrants and neighboring countries for their economic plight and rail against perceived anti-Russian plots, domestic and foreign. They feel humiliated by the collapse of a once-mighty empire. Their refrain, and that of Mr. Zhirinovsky, is "Russia for the Russians."

RELIGIOUS SERVICES

AMSTERDAM
CROSSROADS INTERNATIONAL CHURCH...
LONDON
WINGS OF PRAYER FELLOWSHIP...
MADRID
INTERNATIONAL COMMUNITY CHURCH...
MILAN
ALL SAINTS CHURCH...
WIEN
THE CHURCH OF ST. AUGUSTINE OF CAN...

MUNICH
THE CHURCH OF THE ASCENSION...
ROME
ST. PAULS WITHIN THE WALLS...
WATERLOO
ALL SAINTS CHURCH...
WIEN
THE CHURCH OF ST. AUGUSTINE OF CAN...

DÜSSELDORF
INTERNATIONAL BAPTIST CHURCH...
FRANKFURT
INTERNATIONAL CHRISTIAN FELLOWSHIP...
HAMBURG
INTERNATIONAL BAPTIST CHURCH...

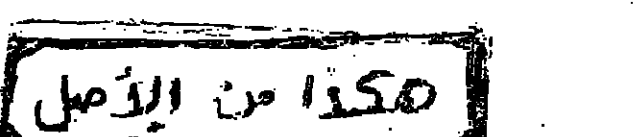
UNITARIAN UNIVERSALISTS
UNITARIAN UNIVERSALIST fellowships & contacts in Europe include:
BARCELONA...
BRUSSELS...
FRANKFURT...
GENEVA...
LONDON...
NETHERLANDS...
MUNICH...
ZÜRICH...

MONTE CARLO
INT'L FELLOWSHIP OF RUE LOUIS-NOLAN...
PARIS and SUBURBS
HOPE INTERNATIONAL CHURCH...
SAINT JOSEPH'S CHURCH...
STRASBOURG
ST. ALBAN (Anglican) at Eglise des Dominicains...

EUROPEAN BAPTIST CONVENTION
BARCELONA
FAITH FELLOWSHIP INTERNATIONAL...
BERLIN
INTERNATIONAL BAPTIST CHURCH...
BONN/KÖLN
THE INTERNATIONAL BAPTIST CHURCH...
BRATISLAVA
Bible Study in English...
BREMEN
INTERNATIONAL BAPTIST CHURCH...
BUCHAREST
INTERNATIONAL BAPTIST CHURCH...
BUDAPEST
International Baptist Fellowship...
BULGARIA
INTERNATIONAL BAPTIST CHURCH...
CELLE/HANNOVER
INTERNATIONAL BAPTIST CHURCH...
DARMSTADT
DARMSTADT/BERGSTRASSE BAPTIST MISSION...
GENEVA
EMMANUEL CHURCH...
FRANKFURT
CHURCH OF CHRIST THE KING...
FLORENCE
ST. JAMES CHURCH...
FRANKFURT
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GENEVA
EMMANUEL CHURCH...
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MOSCOW
INTERNATIONAL BAPTIST FELLOWSHIP...
MUNICH
INTERNATIONAL BAPTIST CHURCH...
OSLO
INTERNATIONAL BAPTIST FELLOWSHIP...
PARIS and SUBURBS
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PARIS
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STATESIDE / 'HE WAS A LONER'

A Send-Off For Hubble As Repairs Look Good

Compiled by Our Staff From Dispatches

HOUSTON — Astronauts sent the Hubble Space Telescope back into orbit on its own Friday after finishing repairs to correct defects that had impeded the operation of the observatory and embarrassed the U.S. space agency.

Claude Nicollier, a Swiss astronaut, held the 24,000 pound (11,000 kilogram) telescope at the end of a robot arm high above the shuttle's open cargo bay for more than two hours early Friday while controllers made final checks on it and opened its protective aperture door.

When word finally came from Mission Control in Houston, he released the grip of the robot and set Hubble adrift as the space shuttle Endeavour passed over the southern tip of Africa.

"Houston, we have a good release," the flight commander, Richard Covey, reported moments after he and the co-pilot, Ken Bowersox, fired steering jets to back the shuttle away from the 43-foot-long (13-meter) telescope.

"We have to say that through your superb efforts, you have really shown that NASA can do all that we promised to do and more, and we very much appreciate it," the shuttle commander in Houston, Susan Helms, radioed back.

A few minutes later, she told the crew that preliminary checks showed the telescope to be in good shape, with none of the pointing and guidance difficulties it suffered after it was sent aloft more than three years ago.

Three hours later, President Bill Clinton and Vice President Al Gore called to congratulate the seven-member crew on what Mr. Clinton called "one of the most spectacular space missions in our history."

"We're all so proud of you," Mr. Clinton said.

"I want to thank each and every one of you for what you've done," he said. "You made it look easy."

Mr. Covey replied: "As you know, great adventures are once-in-a-lifetime opportunities, and the seven of us were lucky to be able to be part of this great adventure."

In a grueling series of spacewalks, F. Story Musgrave, Jeffrey A. Hoffman, Thomas D. Akers and Kathryn C. Thornton replaced solar panels that supply power to the malfunctioned telescope's instruments. Vibrations of the original panels had severely upset the telescope's observations.

They also fixed Hubble's pointing system and main computer, and added a system of coin-sized mirrors that will compensate for focusing errors in telescope's improperly ground primary mirror.

The telescope's defects became a public relations blow for the National Aeronautics and Space Administration. It will be some time before the agency knows whether the repairs have restored Hubble to its full capabilities.

Launched from Florida on Dec. 2, Endeavour is due back on Earth before dawn Monday.

Mr. Nicollier was to have returned Hubble to its 370-mile-high (600-kilometer) orbit shortly after 0700 GMT but was required to wait more than three hours.

Engineers at a telescope control center in Maryland needed the extra time to solve a problem with a data interface unit that transfers information between Hubble's central timer and its science instruments.

Scientists plan immediately to begin several months of tests that will reveal whether the repairs restored full capabilities to the telescope. The tests include trial-and-error adjustments of the corrective mirrors.

The first image from the refurbished telescope is expected in about eight weeks.

The space agency, which sent Hubble aloft in 1990, said it fulfilled the telescope now could fulfill its mission to help determine the age of the universe. (Reuters, AP)



The store in Long Beach, California, where Mr. Ferguson reportedly got his semiautomatic weapon.

How Anger Consumed an Immigrant

By Malcolm Gladwell
Washington Post Service

NEW YORK — Colin Ferguson once was married and employed, living out this version of the immigrant's dream in Long Island. He was courteous and articulate, a student of the Bible who made the dean's list at Nassau County Community College.

But in the last four years — until three terrifying minutes on Tuesday night when 23 people were shot, five fatally, on a Long Island Rail Road commuter train — Mr. Ferguson's world slowly unraveled, according to acquaintances and law-enforcement officials.

His marriage failed, and he lost his job. He injured his back and was suspended from Adelphi University, to which he had transferred from community college to study business administration. On a New York subway car, he argued loudly and abusively with a white woman, later writing the city's police commissioner to complain of what he termed "racist" treatment by Transit Authority policemen.

He had immigrated from Kingston, Jamaica, in 1982, and by last year was living in a sparsely furnished \$175-a-month room in a Brooklyn boarding house. Sometimes, he walked to a nearby pay phone to pester government agencies about a workers' compensation claim he had filed.

Last spring, he went to Long Beach, California, looking for a job but became convinced that there were no opportunities for black people.

He bought a gun in California, then returned to his room in Brooklyn to sit alone, praying aloud from the Bible, shouting to himself about "Uncle Tom Negroes" — as he put it in an angry letter — and knitting his own grievances into an elaborate racist conspiracy.

On Tuesday afternoon, Mr. Ferguson called the New York Workers' Compensation office. Then he boarded the 5:33 P.M. commuter train bound for Hicksville, Long Island, and somewhere before Garden City, walked down the aisle with a 9-mm semiautomatic Ruger P89 pistol, firing at will. Three white men and two women of Asian origin were killed.

"He fits the classic stereotype of the mass murderer," said Ken Tardiff, a psychiatrist at New York University Hospital. "He was a loner. He had deep resentments, and he was interpreting everything in the world as against him."

Mr. Ferguson, 35, made no secret of what he interpreted as part of a conspiracy against him. In his pocket, he carried a four-page list of names and numbers referring to three events in the last four years that had become his private obsession.

There was the 1991 suspension from Adelphi University after a se-

ries of shouting matches with faculty and fellow students. There was the workers' compensation claim filed in 1989 after he fell off a stool at a burglar-alarm manufacturing company on Long Island. And there was a February 1992 run-in on the subway with what he called in his notes "the filthy Caucasian Racist Female on the 1 line."

In each case, Mr. Ferguson followed a pattern. He started with what seemed a legitimate grievance. Then his deep-seated feelings of racial oppression took over. He would be lucid, then unexpectedly angry and paranoid, and in recent months the darkness inside him began to crowd out the light.

Standing outside the small flatstone house in the Flatbush section of Brooklyn, where he and Mr. Ferguson lived for the last two years, Patrick Denis, 29, described what he called Mr. Ferguson's "hot and cold" personality. The men, both of whom are black, would argue about race, and Mr. Ferguson would become enraged, hurling abuse at Mr. Denis. The next day, he would act as if nothing had happened.

In 1991, Mr. Ferguson asked Colin Moore, a prominent Brooklyn civil-rights lawyer, to represent him in a suit against Adelphi that claimed his suspension was racially motivated. Mr. Moore said that he was too busy and that the two parted amicably. But three months ago, Mr. Ferguson suddenly called Mr. Moore three or four times to complain that the lawyer had poisoned the minds of other lawyers against Mr. Ferguson.

"I became aware that there was something wrong," Mr. Moore said. "He began to confuse reality and unreality. He was very upset and very agitated. The person I spoke to three months ago was not the person I spoke to two years ago."

Many of those who dealt with Mr. Ferguson in recent months spoke of a man whose battles with the system and feeling of racial injustice had begun to consume him.

POLITICAL NOTES

Americans Back Tighter Gun Laws

WASHINGTON — By a 2-40-1 margin, Americans back President Bill Clinton's vow to challenge the National Rifle Association and seek tighter gun control laws, according to a new Times Mirror poll.

The poll also found that by a margin of 57 percent to 29 percent, the public approved of the way that Mr. Clinton has handled the issue of controlling handguns. The results are based on a survey conducted Dec. 2-5, immediately after the president signed the Brady Bill, which requires a five-day waiting period on handgun purchases. The bill will become law in three months.

Mr. Clinton strongly supported the Brady Bill, which had been opposed by Presidents Ronald Reagan and George Bush and by most Republicans in Congress. But he stressed that it is only a first step in tightening regulations. Gun violence, he said, has become so serious that he is now considering a much broader range of options, including national standards for state registration laws.

President Clinton said Friday that he was "committed to going further" on gun control. "We have to figure out exactly what to do and in what order," he said.

His administration has given tentative support to a proposal to require that all gun owners be licensed. The plan, the details of which will not be settled for many

No More Perot? Don't Count On It

WASHINGTON — In a warning to the political world not to count him out, Ross Perot says he expects to keep himself as viable as ever next year, making it clear that President Clinton's health-care proposal may be a major target.

Even after he said he had not decided whether he would support any of the various health proposals that have been floated, Mr. Perot immediately began criticizing the administration's package.

"The real question everyone has about the Clinton plan is: Can we afford it?" Mr. Perot said in a telephone interview from his office in Dallas. "Based on everything I've read and everything I've heard, everybody seems to concur that the financial side of it is soft."

Quote/Unquote

Health and Human Services Secretary Donna Shalala, after a suggestion by the surgeon-general, Dr. Joycelyn Elders, that the government study the legalization of drugs: "Legalization is an open invitation for people to destroy their lives." (AP)

Away From Politics

- A National Guard tanker plane caught fire and exploded on the ground at Milwaukee's international airport, killing six ground crew members, a Guard spokesman said.
- A blind woman was ordered admitted to the medical school at Case Western Reserve University in Cleveland. A Common Pleas Court judge ruled that the university relied on biases and misconceptions in rejecting the application of Cheryl Fischer, 29, of Cleveland.
- A man who once worked with a suspect in the World Trade Center bombing identified his co-worker's voice as the one that claimed responsibility for the blast in a telephone call to a New York newspaper. Sean O'Leary testified that the voice on the taped call a day after the Feb. 26 bombing was that of one of the defendants in the trial, Nidal A. Ayyad, 26, of Maplewood, New Jersey.
- The estate of the Reverend Martin Luther King Jr. filed a copyright infringement lawsuit against

the publisher of USA Today, accusing the newspaper of infringing on the civil rights leader's "I Have a Dream" speech by publishing the complete text in August on the 30th anniversary of the address.

- Twenty New York City employees, members of a unit created to prevent thefts from parking meters, have been charged with stealing \$1 million from the meters during the last two years. Investigators said the employees — a third of the staff of the agency that collects money from city meters — had each plundered up to \$1,500 a day in coins.
- The rock band Dead German Tourist gave a concert on a Miami beach station that began with an obscene greeting to a German television crew and other critics. After a public outcry, the Hard Rock Café in Miami canceled its plan to host the concert, citing the offensive nature of the band's name. Several Germans were among the foreign tourists killed in Florida this year. (AP, Reuters, NYT)

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By William Bonner, publisher, International Living

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AMERICAN TOPICS

In Developing a Gas-Electric Car, Ford Is Aiming for a Better Idea

A hybrid car with both an electric motor and a gasoline engine is being jointly developed by Ford Motor Co. and the U.S. Energy Department, the Los Angeles Times reports.

Hybrid cars have a greater range than electric vehicles, which now can go only about 100 miles (160 kilometers) without a recharge.

In one configuration, a small, inexpensive gasoline engine would be an auxiliary to the electric motor, so a car could "limp home" when the batteries run down.

In another, both power sources would be equal. Electricity could power the front wheels and gasoline the back wheels; the motors could be used simultaneously or independently.

Technical hurdles remain. But Bradford Bates, head of Ford's hybrid research, says, "It's certainly

possible that we could have hybrid vehicles on the road in five to 10 years."

Short Takes

For the first time, a majority of Rhodes scholars from the United States are women. Of the 32 chosen to attend Oxford University next fall, 17 are female.

By early 1995, the National Park Service plans to open Steamtown in an old railroad yard in Scranton, Pennsylvania, as a museum-park dedicated to the history and development of the steam locomotive. It will cost the taxpayers at least the \$66 million

already appropriated by Congress. "It opens a window on the past," says Representative Joseph P. McCardle, Republican of Pennsylvania.

The Holocaust Memorial Museum in Washington has paid posthumous tribute to Oskar Schindler, the German industrialist and Nazi Party member who saved the lives of 1,300 Jews in the Holocaust by employing them in his factory.

Arthur Higbee

Explosion Risk Seen At Nuclear Plants

By Matthew L. Wald

New York Times Service NEW YORK — Eleven nuclear processing factories in six states may be vulnerable to the same kind of chemical explosion that caused radioactive contamination in a wide area around a Russian plant last April, according to a report by the staff of the Senate Governmental Affairs Committee.

The April explosion, which contaminated nearly 130 square kilometers (50 square miles) around the Siberian city of Tomsk-7, involved chemical compounds that are used in U.S. plants run by the Department of Energy, according to the report.

"At most of these plants, plutonium or bomb-grade uranium is separated from uranium and other materials in processing tanks.

The potential risk here in the United States is real and widespread at several DOE plants," said Senator John Glenn of Ohio, chairman of the committee, which has been investigating safety at the nuclear weapons plants for several years.

The Energy Department had no comment. In the past, engineers working for the contractors who run the plants have raised the possibility of such explosions in processing tanks, but the department has not been able to say how big the risk would be.

The staff of the committee stopped short of saying for certain that there is a risk, because the contents of the American tanks, especially waste tanks, are so poorly understood.

Other tanks are believed to be in danger of exploding because of a different type of organic chemicals, ferrocyanides.

The report was made public in Washington, but because the Senate is in recess, the committee has not voted on its findings.

The committee's staff found a risk at Hanford, which has several factories; at the Savannah River Site, in South Carolina; at Oak Ridge, Tennessee; at Los Alamos National Laboratory, in New Mexico; at Idaho National Engineering Laboratory near Idaho Springs; and at the Portsmouth Gaseous Diffusion Plant, in Ohio.

The first five are involved in bomb manufacturing, but the last is where different types of uranium are sorted for use in reactors, including civilian power plants.

Explosions or other accidents involving the chemicals occurred at Savannah River in 1953 and 1973 and at Hanford in 1953.

Like the explosion at Tomsk, these were chemical reactions, not nuclear reactions. Because the tanks held radioactive material, there was a serious risk of nuclear contamination.

NEWSPAPER CAPER By Cathy Millhauser

- ACROSS 1 Olive's cousin 4 Lets down or out 10 A little night music? 14 Impressionism with leftovers 18 Red's ring decision 19 "Do you really?"

New York Times Edited by Will Shortz. Crossword puzzle grid with numbers 1-110.

Solution to Puzzle of Dec. 4-5. 1 OLIVE'S COUSIN 4 LETS DOWN OR OUT 10 A LITTLE NIGHT MUSIC?

Brazil Looks for 'the Bottom'

Marathon Corruption Inquiry Seen as Test of Democracy

By Job Blount Washington Post Service RIO DE JANEIRO — With Brazil's Congress snuffing out new corruption allegations almost daily, many Brazilians say they are now convinced that the latest political crisis is a make-or-break episode for their 8-year-old experiment with democracy.

In a month and a half of hearings, a joint congressional investigating committee has collected evidence of widespread bribery, money laundering, budget fixing and even murder. The evidence links the country's most powerful politicians and business leaders in schemes that have defrauded the state of as yet uncounted billions over two decades.

It suggests a scale of corruption so extensive that last year's impeachment and subsequent resignation of President Fernando Collor de Mello over a \$330 million influence-peddling scheme may end up looking minor in comparison.

At least 12 members of Congress are facing removal and 100 are suspected of involvement, including a former president and two of the most respected and outspoken leaders in the fight to impeach Mr. Collor.

"This is the most important episode in the recent history of the country," said the president of the Brazilian Institute of Political Studies, Waldir de Góes.

"This is only the beginning of what will become in the coming years an almost endless, Italian-style corruption investigation," he said. "We have to deal with this now or face serious consequences."

At boisterous marathon sessions in the capital, Brasilia, congressional investigators have discovered evidence of corruption that has shocked even the most cynical observers of the turbulent eight years of democracy that followed nearly a quarter century of military rule.

A testimony indicates that an estimated 70 percent of all social spending grants are being siphoned off as bribes and kickbacks. Members of Congress with no reported income but their government salaries have become multimillionaires,

with private jets and huge land holdings.

Also, according to the testimony, hundreds of public works projects worth billions of dollars are incomplete, improperly built or even nonexistent, and the money is missing.

Corporate documents from major construction companies list the percentage of each contract's value that specific politicians are to receive for obtaining approval of budget items.

The powerful construction companies are said to have fixed the bidding and inflated the budgets of nearly all government projects dating back to the 1964-1985 military rule. Politicians laundered bribes by staking out lottery prize centers, buying most of the tickets for cash and claiming the prizes.

The former head of the budget committee, João Alves, collected top state and federal lottery prizes more than 250 times. Trying to explain this more than trillion-to-one winning streak, he said, "God blessed me with luck."

"The scale of the investigation is going to change the way Brazilians look at government," said Senator Amir Lando, a committee investigator. "We are finally getting to the bottom of this country's corruption."

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Ex-Stasi Chief to Stay in Prison Despite Age

The Associated Press BERLIN — Erich Mielke, the former No. 2 official in the East German Communist regime, will have to stay in prison despite claims that he is in declining health.

Mr. Mielke, 85, who once headed the Stasi security agency, was convicted in October of leading two Berlin police officers in the 1930s.

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Christopher, in Symbolic Visit, Meets With Arafat in Tunis Talks Cover Economic Reality of Self-Rule

By John M. Goshko
Washington Post Service

TUNIS Secretary of State Warren M. Christopher on Friday became the first top-level American official to call on Yasser Arafat, the Palestine Liberation Organization chairman, at the Tunis headquarters from which the PLO has operated since Israeli troops drove it from Lebanon, a decade ago.

Mr. Christopher, who also conferred with Mr. Arafat in Amman, Jordan, on Monday, stopped here en route home from Jerusalem to convey a message from Prime Minister Yitzhak Rabin of Israel.

Mr. Christopher said Mr. Rabin had asked him to say that he looked forward to their meeting in Cairo on Sunday, when they will try to resolve the problems impeding the scheduled Israeli withdrawal from the Gaza Strip and Jericho on Monday.

Mr. Christopher emphasized that the United States considered it very important for the two leaders to work out their differences and move forward to put into effect the Israeli-PLO agreement signed at the White House on Sept. 13.

But he also made clear at his Amman meeting with Mr. Arafat that the Clinton administration thought Israel and the Palestine Liberation Organization should work out their problems without depending on the United States to intervene.

Thus, his visit on Friday was important largely as a symbolic expression of the epochal change that has taken place in the relations between the United States and an organization that Washington long shunned as terrorist.

When the meeting began at a heavily guarded villa in a residential quarter of Tunis, Mr. Christopher greeted Mr. Arafat by saying, "It's wonderful to see you at your headquarters in Tunis."

"A short period only," Mr. Arafat replied. "Next time in Jericho." Mr. Arafat said he will move to that West Bank city once Israeli troops have left and turned it over to Palestinian self-rule.

"Interim headquarters," Mr. Christopher said, amending his greeting.

American officials accompanying Mr. Christopher said later that most of the hourlong session was devoted to discussing the financial and administrative structures being prepared by the PLO for Palestinian autonomy in Gaza and Jericho.

At the meeting on Monday in Amman, American officials are known to have felt that Mr. Arafat spent most of his time on dramatic-sounding political oratory and seemed reluctant to heed American warnings that the autonomy experiment would not attract outside financial help unless more time was devoted to institutional planning.

But a senior American official said after the meeting Friday that the warnings given to Mr. Arafat in Amman seemed to have had an effect and that he and his senior advisers seemed more engaged in addressing the formidable economic problems that they will face.

"What we've heard in the last week is reassuring," the official said. "There has been movement."

He added that the Palestinians were clearly trying very hard to make autonomy work.

Foreign Minister Shimon Peres, returning from a meeting with Mr. Arafat in Spain, said any delays beyond the Monday deadline would not be significant. "I think we are all interested that on Dec. 13 there will be a real feeling that the process is started," he said.

Mrs. Ashrawi's announcement that she would not accept any post in the new Palestinian government marked a major break from the leadership. Ever since the Madrid peace conference, Mrs. Ashrawi has been associated with a group of Palestinians from the territories who led the peace talks with Israel, including Faisal Husseini, who last week was named the leader of El Fatah, the largest PLO faction, in the West Bank.

had switched tactics and were now singling out Israeli settlers instead of soldiers in hopes of stoking the Sept. 13 accord.

"If we don't find a political solution between us and the PLO that will begin to calm down, and create a different atmosphere between us and the Palestinians," Mr. Rabin said, "then we'll find ourselves in a process of the Palestinian public being taken over by Hamas. And we've seen that fanatic religious extremists together with Palestinian nationalism makes an even more severe terrorism."

"The government as a whole will do its best to insure their security but there is no hermetic security there never was, and there never will be," he said. "But it's their right to continue to live their lives in their settlements."

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ATTACK ON CAIRO THEATER — Security officers outside a Cairo movie theater that was attacked by gunmen believed to be Islamic militants. They killed one person and wounded six.

Foreigners Step Up Flight From Algeria

Compiled by Our Staff From Dispatches

ALGIERS — The exodus of foreigners fleeing death threats from Islamic militants accelerated Friday after Russia, the United States, Germany and France moved to reduce the number of their nationals in Algeria.

Airlines said flights to Europe were fully booked until Jan. 10, with many foreigners, notably French, planning to leave the country after the start of Christmas school vacation on Dec. 15.

The U.S. State Department urged Americans late Thursday to leave Algeria unless they had compelling reasons to stay, and said the U.S. Embassy staff was being cut to a minimum for security reasons. It also warned Americans not to travel to Algeria.

A German Foreign Ministry spokesman said Friday in Bonn that many embassy personnel had already left and that Germany was considering further staff reductions at its embassy in Algiers.

The Foreign Ministry said about 1,000 German nationals lived in Algeria. Bonn warned Germans on Monday not to travel to Algeria.

Russia also announced Thursday that it was evacuating the families of its embassy and trade center staff. France, the former colonial power, said it was cutting back on its 600 government personnel here.

Even before the official moves, foreigners had begun leaving the country since Islamic militants began targeting foreigners three months ago. The militants seek to overthrow the government and set up a fundamentalist state.

Eleven foreigners have been killed since September, of these four have been killed since Dec. 1, the date the militants gave foreigners to leave the country or face death.

At least 59 Algerians have also been killed since Dec. 1, prompting some Algerians to urge the foreign community to keep the dangers in perspective.

"I know foreign citizens are affected but a lot of Algerians are also affected," the opposition leader, Said Saadi, said Friday.

"It would be preferable that foreign citizens not panic. There is a risk but it is a manageable risk," he added. "One should not play into the hands of this blackmail by violence."

In the last year, the United States has repatriated the families of some diplomats and closed the American school and the consulate in Oran.

But the American Cultural Center, which is in the relatively well-protected Hydra district of the capital, was operating normally.

A State Department spokeswoman said there 440 Americans were registered with the U.S. Embassy who were not connected with the embassy. She declined to say how many diplomats were being withdrawn.

Most of the Americans are in the oil industry, based in the far south where American companies are working a dozen prospecting concessions in the Sahara in cooperation with the Algerian state oil and natural gas company, Sonatrach.

France, the most prominent foreign presence here, urged vigilance by its citizens.

Foreign Minister Alain Juppé said Thursday that a "falling back" — rather than a "withdrawal" — of some French nationals and their children was being planned.

Half of the 8,000 recently resident French — those without historical ties to Algeria — left the country at the beginning of November, according to reliable estimates. A second wave of departures is expected as of Wednesday.

French companies here have advised technicians and other staff members not regarded as indispensable to take time off in France while waiting to see how the situation develops. (AFP, Reuters)

ISRAEL: 3 Palestinians Killed

Continued from Page 1

pid, and his son, Shalom, were killed by Palestinian gunmen who sprayed their van with bullets. On Thursday, a Palestinian farmer was shot in his field near the Jewish settlement of Shiloh, and two Jewish settlers, one a minor, were arrested.

The ambush on Friday took the lives of two brothers and a cousin from the village of Tarquma, near Hebron. Arab reports said they were returning home from work in Israel in a station wagon when settlers in a car with Israeli license plates opened fire, killing all three.

Witnesses said they were shot at close range. The army set up roadblocks and began searching for the attackers.

Israeli radio said a caller who identified himself only as Ronen asserted that the attack was to avenge the killing of Mr. Lapid and his son near Hebron. Television reports said the militant, ultranationalist Kach movement took responsibility for the triple murder.

The radio said rioting broke out in Tarquma and nearby Beit Ula. The killings brought to 38 the number of Palestinians killed since the announcement of the peace accord in September, and 18 Jews have died in the same period.

In the interview Friday night, which was taped before the Hebron killings, Mr. Rabin acknowledged that a surge of violence had eroded public support for the peace accord. "I'm not blind," he said.

Mr. Rabin noted that the militant Palestinian groups like Hamas

had switched tactics and were now singling out Israeli settlers instead of soldiers in hopes of stoking the Sept. 13 accord.

"If we don't find a political solution between us and the PLO that will begin to calm down, and create a different atmosphere between us and the Palestinians," Mr. Rabin said, "then we'll find ourselves in a process of the Palestinian public being taken over by Hamas. And we've seen that fanatic religious extremists together with Palestinian nationalism makes an even more severe terrorism."

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Herald INTERNATIONAL Tribune

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Daisy Adams, 113, Dies, Was the Oldest Briton

The Associated Press
CHURCH GRESLEY, England — Daisy Adams, Britain's oldest person, died at a nursing home Wednesday. She was 113 years old.

Mrs. Adams was born in 1880, before the car and the telephone. The daughter of a lay preacher, Mrs. Adams had to raise her five children alone after her husband was killed on the first day of the Battle of the Somme in 1916.

The longevity of the nonsmoking, churchgoing septuagenarian was a result of a simple life, Mrs. Adams's family said.

Her place as the country's oldest surviving person is taken by Rebecca Hewison, 112, of Grimsby. She will have to live three more years to overtake Britain's oldest person ever, according to the Guinness Book of Records. That record belongs to Charlotte Hughes of Redcar, who died earlier this year aged 115 years 229 days.

Ayatollah Khomeini, 98, Critic of Ayatollah Khomeini NICOSIA (AP) — Grand Ayatollah Mohammed Reza Golpaygani, 98, a pre-eminent spiritual leader among Shiite Muslims, died Thursday in Tehran of a lung disease.

Ayatollah Golpaygani was a frequent critic of Ayatollah Ruhollah Khomeini, patriarch of Iran's 1979 Islamic Revolution. He opposed the takeover and redistribution of land during the Khomeini era and their followers clashed in several cities.

But Ayatollah Golpaygani was considered to be close to Ayatollah Sayed Ali Kharazmi, Ayatollah Khomeini's successor as Iran's spiritual leader.

Dhanuwardeni Senanayake Jayasundera, 56, chairman of Hayleys Ltd, one of Sri Lanka's biggest companies, died of a heart attack while on vacation in Australia, company sources said Thursday.

Anders Franzen, 75, the pioneering marine archaeologist who located the 17th-century warship Vasa at the bottom of Stockholm harbor, died Wednesday after a prolonged illness.

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

For All the Brave Voices

As Allison DeForge, an American board member of Human Rights Watch, stepped onto the plane at Kigali airport at the end of her investigative mission in Rwanda...

Mujawamariya was one of a small group that sat for coffee with President Bill Clinton at the White House. She was being honored not only for her monitoring work in Rwanda...

THE WASHINGTON POST

Beyond the Brady Bill

Consider some multiple murders, committed over the last few years, and the headlines that might describe them: Deranged Gunman Kills 22 in Killeen, Texas...

California's law is among the strictest in the nation; its 15-day waiting period is three times that required by the Brady bill...

THE NEW YORK TIMES

Policy by Polls? Why Not?

Now it can be told: President Bill Clinton made some major decisions on his health plan on the basis of — gulp! — opinion polls.

Mr. Clinton, who, you will recall, supported some tax increases this year. There is a lot of mystification over the polls and what they mean...

THE WASHINGTON POST

Other Comment

They Must Push On to Peace

There is bitterness, but no surprise as the war against peace continues to kill many and further threatens the first big political meeting...

Relentless also restores an atmosphere in which one may breathe, although it will be impossible to extinguish all the fires.

Il Giorno (Milan)

Mideast Peace: A Painful Rethinking on Both Sides

By Stephen S. Rosenfeld

TEL AVIV — The issues of peace in this country go far beyond the arguments over security and other terms that are frustrating Israeli and Palestinian negotiators...

university think tank. That is, territory that Arabs lost to Israel in the 1967 war can be traded back for a full peace between Israel and the affected Arabs.

treated as a religious-cultural minority, it asserts an identity as a national minority. The irony is that just as Israel approaches a point where it might consider full incorporation of its Arab citizens...

ened young or among residents of the occupied territories who believe Mr. Arafat and "Tunis" to be remote and politically suspect.

The Washington Post

To Speed Russian Reform, Ease Up

By Padma Desai

NEW YORK — Russia's parliamentary elections on Sunday hold the promise of a fresh political start — new relationships between President Boris Yeltsin and the lawmakers...

cutting subsidies to failing industries and farms and to consumers, while Mr. Chernomyrdin worries about the impact of such drastic measures on already declining production...

technologies to adopt. Should the nuclear submarine factory in Severodvinsk start producing oil- and gas-drilling platforms or commercial tankers, barges and tugboats?



By PANCHO for Le Monde (Photo: Getty Images)

Will any of the changes lead to what Russia needs most: a sound and steady program of economic reform? Perhaps, but only if two other things happen. First, the International Monetary Fund has to relax its insistence on rapid, sweeping market reforms in exchange for credits.

When some prices were cut loose in January 1992, prices for most goods declined, but workers cannot be laid off because they have nowhere to go.

All these constraints, which make it difficult to impose market economy rules, mean that the IMF's required methods of controlling inflation and the budget deficit are unrealistic.

tion fund, once the fund is established by the Group of Seven.

The decline in the gross domestic product in 1992 was 19 percent, the inflation rate is about 2,500 percent and unemployment was a little over 1 percent of the work force.

Why hasn't this marketplace discipline evolved in the past two years? Just look at the problems faced by a factory manager in the military and heavy industries.

Private companies around the world can see industries that deserve assistance and help them restructure. Outside companies that want or need seed money for this work ought to get it from a privatiza-

As the liberalization of prices and privatization goes forward, can't departments from strict market economy norms be permitted as well?

The writer is professor of comparative economic systems at Columbia University. He contributed this comment to The New York Times.

The 10 Values That Undergird East Asian Strength and Success

By Tommy Koh

SINGAPORE — In an interesting article, "Greater China Should Think Again About Being So Different" (H/T, Nov. 23), George Hicks complained that most of the values proposed by Asian critics of the West were negative.

individual tries to balance his interests with those of family and society. 2) East Asians believe in strong families. Divorce rates are much lower than those in the West, and Asians do not, as a rule, abandon their aged parents.

ty to forge national consensus, is one of the secrets of the so-called East Asian development miracle.

some environment in which to bring up their children. A recent survey found that most Singaporeans do not want magazines such as Playboy to circulate in the country.

Giving In Won't Make Drugs Go Away

By A. M. Rosenthal

NEW YORK — The surgeon general of the United States is giving the cause of narcotics legalization its biggest boost ever in America. Dr. Joycelyn Elders thinks that legalization of narcotics would reduce crime. She wants "studies" to be made of the idea.

But drug availability, legal or not, means drug abuse. Abuse of alcohol destroys homes and lives. Abuse of narcotics does all that and also crowds the jails. Drug addicts do not mug or steal simply to get money for a fix.

BRUSSELS — A terrible fire broke out at two o'clock this morning [Dec. 10] at large corn and wheat warehouses on the Scheidt embankment, Antwerp. It has destroyed about 6,000,000 fr. worth of corn, grain and wheat, besides the building, which is none other than the famous Hanseatic House built in the sixteenth century.

1943: Moscow Backs Tito LONDON — [From our New York edition:] The Turkish radio said today [Dec. 12] that the Soviet government had decided to recognize Marshal Tito's Yugoslav Partisan government as the legal representative of that country instead of King Peter II's regime.

Morally, legalization is a bottom-line approach to drug abuse: Fighting drugs is difficult and expensive, we are doing so let's give in.

Don't Write Off Legalization Lightly THOUGH SUCH strong men as Senator Bob Dole grew faint over Dr. Joycelyn Elders's hypothetical remarks about drug legalization, she is hardly the first serious person to note that the violence fostered by the black market in drugs constitutes a growing public health problem.

1918: Suffrage Delayed DES MOINES, Iowa — Woman Suffrage in Iowa has been delayed four years on account of alleged carelessness in the Secretary of State's office.

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International Herald Tribune advertisement listing editorial board members: KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER, RICHARD McCLEAN, JOHN VINOCCUR, etc.

Pentagon Short by \$50 Billion Deficit Sets Up a Battle With Budget Office

By Michael R. Gordon
New York Times Service

WASHINGTON — After drafting an ambitious post-Cold War strategy, the Pentagon finds itself up to \$50 billion short of what it needs to carry out the plan and is skirmishing with the White House budget director over the money.

The dispute has been going on behind the scenes for weeks. But it broke into the open on Thursday when Leon E. Panetta, the director of the Office of Management and Budget, confirmed that the Defense Department would be short by \$40 billion to \$50 billion over the next five years. With President Bill Clinton trying to cut the U.S. budget, Mr. Panetta said he did not expect a change would be made in next year's Pentagon spending request.

Defense Secretary Les Aspin plans to ask for the extra money anyway when he meets with Mr. Clinton next week to discuss his budget, leaving Mr. Clinton to arbitrate the fight. The shortage stems from faulty inflation estimates and the decision by Congress to raise military pay.

That puts the president where he least wants to be: in a dispute between his budget director and the Pentagon, and potentially in a standoff with Senator Sam Nunn, the Georgia Democrat who heads the Senate Armed Services Committee and supports the Pentagon's push for additional money.

This latest episode is the opening round of the annual infighting over the budget. The debate is especially heated because Mr. Clinton is trying to protect the U.S. role as a military power while honoring his promise to shift the nation's priorities more to domestic programs.

Also at stake are the White House's relations with the uniformed military. "Something will have to give if we don't get the funds," a Pentagon official said. "We will either have to cut the forces and throw the strategy overboard, give up some weapons modernization, or get the funds we need from domestic programs."

Thus, the already tight Pentagon budget was further squeezed when Congress decided to order a pay increase for military personnel that the Clinton administration had not sought. That and other personnel decisions added \$14.5 billion to the Pentagon's five-year plan.

In addition, inflation estimates that were too optimistic also mean that the military budget is underfunded by \$35 billion, Pentagon officials say.

As a result, Pentagon officials say they are faced with a five-year shortage of almost \$50 billion.

Mr. Nunn predicted this problem in March. He said then that he had received assurances from the White House that it would support increases in military spending if they were needed. "I have been assured that the administration will not permit higher inflation in the future to damage our defense capability," Mr. Nunn said.

In addition, he said then that the White House had told him that the military budget would be fully protected if Congress voted to give the troops a raise over the administration's objections.

But now many federal agencies expect to be short of money, and the White House budget office is trying to hold the line against increases in military spending. Mr. Panetta said agency heads throughout the government were asking for \$20 billion more than they were going to get for next year.

Mr. Panetta said that he supported the Pentagon's new strategy, but added that he did not anticipate increasing next year's military spending request to make up the difference.

Asked if the White House planned to forgo any adjustments in the Pentagon spending request for next year, Mr. Panetta said, "Yes." Referring to the five-year \$1.2 trillion Pentagon spending plan announced in March, he added, "The president has pretty much made a commitment that he wants to stick to those numbers."

Military spending has gone down steadily since the height of the Reagan administration's buildup in 1985, once the effects of inflation are taken into account.

Still, with a budget this fiscal year of \$262 billion, the Pentagon spends more than the other federal agencies, making it a tempting target for budget cutters.

As part of a comprehensive plan to develop a military force for the post-Cold War world, the Defense Department announced in September that it planned to field 10 active army divisions, 12 aircraft carriers, 20 active and reserve air force wings and a sizable Marine Corps.

Even that plan, which was approved by Mr. Clinton, initially posed affordability problems for the Pentagon. The price tag for the force was \$13 billion more than the Pentagon had planned to spend over five years, prompting the Defense Department to identify offsetting cuts.

Deeper cuts, experts say, could prompt a wide-ranging debate over the wisdom of the Pentagon's strategy of preparing for two regional conflicts, its multibillion-dollar decision to build a third Seawolf attack submarine to preserve the military industrial base and its decision to proceed with other costly weapons programs.

Guard and Reserves to Lose 127,000

The Pentagon announced Friday that the U.S. Army National Guard and Reserve would lose about 127,000 jobs over the next six years as part of reductions in U.S. military forces. The Associated Press reported from Washington. The plan is to reduce the Guard to 367,000 and the Reserve to 208,000 for a total of 575,000 by 1999.



GREETINGS IN ANKARA — Prime Minister Benazir Bhutto of Pakistan, left, and Prime Minister Tansu Ciller of Turkey exchanging greetings in Ankara as Miss Bhutto arrived on Friday for talks that were to focus on trade. Miss Bhutto's husband, Asif Ali Zardari, is at left.

Germans Aid Austria In Letter-Bomb Inquiry

Reuters

VIENNA — The Austrian police said Friday that they were cooperating with their German counterparts in a hunt for links between neo-Nazi groups suspected of a wave of letter-bomb attacks in Austria.

Two Austrian neo-Nazis were arrested on Thursday on suspicion of sending the bombs, which wounded four people including Vienna's mayor, Helmut Zilk.

"We are at present pulling on a thread which could also lead to Germany," said Michael Sika, an Austrian security official. "But further investigations are needed."

The letter-bombs were sent to human-rights campaigners helping refugees and minorities in Austria. Six of the 10 bombs were intercepted and defused.

The two suspects were identified as Peter B., 26, an electrician, and Alexander W., both of whom had close connections to a banned neo-

Lawmakers Let Kazakh President Govern by Decree

The Associated Press

ALMA-ATA, Kazakhstan — Kazakhstan's parliament voted Friday to disband and let President Nursultan A. Nazarbayev govern the former Soviet republic by decree until elections in March.

The resolution, which requires Mr. Nazarbayev's signature, would take effect next week after legislators vote on the Nuclear Nonproliferation Treaty.

Kazakhstan is one of the former Soviet republics that inherited nuclear weapons after the Soviet Union's collapse in 1991. The treaty is expected to be ratified without opposition.

The legislators voted to give Mr. Nazarbayev one-man rule until a new parliament is elected March 7. They also abolished Kazakhstan's more than 200 regional legislatures, leaving local power in the hands of the president's appointed regional administrators.

The parliament, called the Supreme Soviet, and the local legislatures were elected in Soviet times.

In Sunday Times: Is AIDS a Myth?

London Weekly Is Taking Iconoclastic Point of View

By William E. Schmidt
New York Times Service

LONDON — As the fastest and most popular of London's so-called quality Sunday broadsheets, The Sunday Times has come to relish a reputation as Britain's establishment iconoclast, a newspaper committed to challenging the conventional wisdom.

But the newspaper's latest crusade — a series of prominently displayed articles boldly arguing that the AIDS epidemic in Africa is a myth and strongly suggesting that HIV is not the way the AIDS infection spreads — has provoked bewilderment and anger among some government health officials, AIDS organizations and many scientists, some of whom have accused The Sunday Times of betraying the public trust and misleading its 4 million readers.

Articles in the paper over the last year have challenged anti-viral drug therapies used to combat AIDS, the reliability of AIDS testing, and the commonly held assumption that AIDS poses a serious risk to heterosexuals.

Nature, a London-based international science journal, accused The Sunday Times this week of pursuing a line of reporting on AIDS that was "seriously mistaken, and probably disastrous."

In an editorial in the Dec. 9 issue, Nature said it was so alarmed by what it called the "unbalanced" and "selective" nature of the paper's reporting on AIDS that it would regularly monitor and critique the coverage in The Sunday Times, partly out of concern about the potential damage the paper was causing by leading young people and adults to believe they have little reason to fear infection with HIV.

Nature's broadside followed an article last weekend in which The Times accused Nature, along with other scientific journals and mainstream newspapers, of "self-imposed censorship" for refusing to give more coverage to those who doubt AIDS is caused by HIV.

The Sunday Times' series of articles — with headlines like "African AIDS Plague 'a Myth,'" and "AIDS: The Plague That Never Was" — are drawn, in part, from the theories of a group of scientific skeptics who have dissented from the widely accepted view that AIDS is spread by HIV infection.

Dissenting theories on the putative cause of AIDS, including those of Peter Duesberg, an American molecular biologist, have been widely debated in the last decade and dismissed by most government and research organizations as scientifically unsound.

Kate O'Neil, a spokesman for the Terrence Higgins Trust, Britain's largest AIDS charity, said she agreed that newspapers have a responsibility to question any orthodox view.

"But the problem is, they are not giving all the facts, which means they are misleading some and giving others false hope," she said.

Neville Hodgkinson, The Sunday Times' science editor and the author of most of the stories, said the paper was serving the public interest by telling readers that serious scientists and researchers dissented strongly from the accepted view that HIV causes AIDS.

PATTEN: Chinese Rebuke

Continued from Page 1

China refuses to give its final approval to a series of large infrastructure projects including a new airport for Hong Kong.

China's refusal to approve the projects is seen as a rebuke to the spirit of earlier agreements on the change in sovereignty.

While stock market investors appear unperturbed by the specter of an overall lack of cooperation between Britain and China, serious clouds remain on Hong Kong's horizon.

Important administrative agreements on the many technical and legal aspects of the 1997 handover normally discussed by the Joint Liaison Group have slowed to a trickle since the electoral reform dispute began.

The prospect of future disputes moved the international credit rating agency, Moody's Investors Service Inc., to downgrade the long term debt of Hong Kong's quasi-public urban rail system on Friday.

Citing uncertainty for Hong Kong's relations with China after 1997 and the threat it poses to the stability of the Hong Kong dollar, Moody's said it would downgrade the local dollar debt of the Mass Transit Railway Corp. from its A2 to A1 classification.

The Hong Kong government called Moody's decision "disappointing and surprising."

FUSION: A Burst of Power Heralds Future Promise

Continued from Page 1

hazardous waste, although it does make the reactor walls temporarily radioactive — could be the successor to conventional nuclear fission plants that produce large amounts of radioactive waste.

Notably ecstatic at the results were the scientists who have devoted as much as 20 years to designing and building the Tokamak Fusion Test Reactor and to operating it at

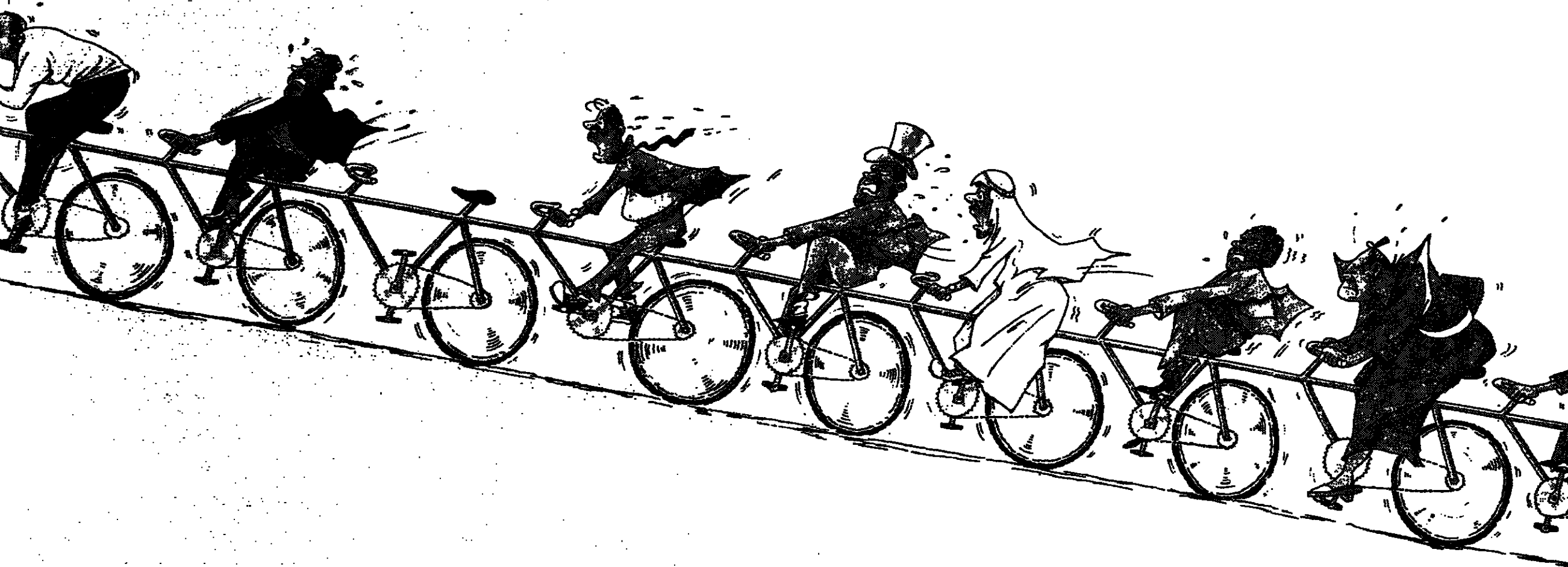
lower power levels with other fuels to see how it performs. Tokamak is a Russian acronym for "toroidal magnetic chamber with current," a concept for a doughnut-shaped reactor first advanced by Russian physicists.

"For many of us this is not so much a climax as the start of a new phase in fusion power development," said Ronald C. Davidson, director of the laboratory. "The real issue is energy security for the

long term. Despite what some people think, we are not secure now. But this is the role fusion can play for the long term."

Throughout the evening, dozens of scientists and technicians operated the reactor and monitored events from a control room lined with computer screens. There were remote-controlled video monitors that scanned the huge reactor, which is as tall as a five-story building, housed in a nearby structure.

WITHOUT A FULL TEAM, IT'S UPHILL FOR THE U.N.



Why has the Republic of China on Taiwan, one of the world's strongest democracies, been banished from the world stage? Such exclusion from the U.N. and other world forums is unfortunate and detrimental to world affairs.

All because of rhetoric that ignores reality. Communist China says the Republic of China on Taiwan does not exist. But that's a ploy which simply won't work anymore. How is it possible to ignore 21 million people, who make up the world's 20th largest economy, 14th largest trading nation, a blossoming democracy, and a colorful culture?

Communist China also argues that the U.N. is not big enough for two Chinese seats, even if only temporarily, until China's unification is achieved. But the U.N. was big enough for two Germans, and is still big enough for the two divided parts of Korea. So much for that argument.

Rhetoric can't change reality. The Republic of China on Taiwan exists. The international community should not be bullied into playing along with any charade to the contrary: It's high

time the international community says "no" to Peking's attempts to block the Republic of China from assuming its rightful role as a responsible, charitable and key member of the U.N. family of nations.

Yes. The 21 million Chinese on Taiwan are ready, willing and able to assume a role in the U.N., to do their share in building a better U.N. and more harmonious world. Their continued exclusion is no longer justified. Reality and reason, not rhetoric, should make the world go round.

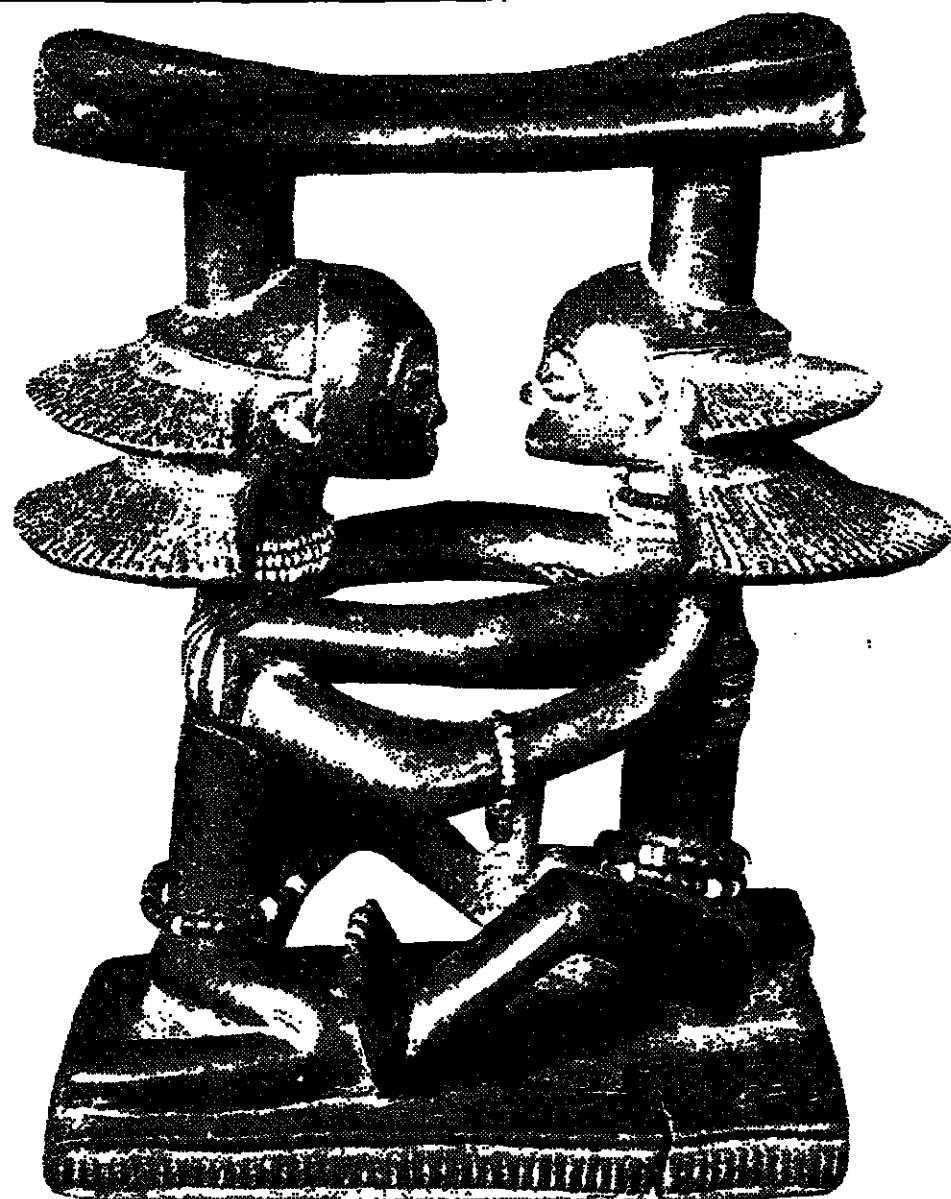
So, isn't it time for the U.N. to give the Republic of China on Taiwan a chance to participate in the most august of world bodies?

The Republic of China on Taiwan. We're Ready.

TODAY'S TAIWAN

REPUBLIC OF CHINA

ART



Wooden headrest from the Luba exhibition at the Musée Dapper.

The Aesthetics of Africa Luba Empire and the Niger River

By Michael Gibson
International Herald Tribune

PARIS — In the great mining heartland of Zaire, the Luba empire, established toward the end of the 16th century, governed a population of diverse ethnic origins in a territory half the size of France until the dawn of the 20th century.

An exquisitely presented exhibition at the Musée Dapper, to April 17, is devoted to the wood, metal and ivory regalia of the Luba kings: stools, scepters, headrests, seated figures of women holding bowls on their knees and delightful statuettes of women clutching their breasts.

The Luba empire was formed by military power and alliance and founded on a community of beliefs and the trade of various commodities, including salt. As François Neyt, the author of the scholarly catalogue, argues, its existence demonstrates that, contrary to what was formerly assumed, extensive kingdoms arose in central Africa before any contact with European or Arab travelers.

The wonderful aesthetic quality of these objects, their monumentality, their powerful symbolism, their sensuality and humor demonstrate the importance of the sort of mythic worldview that such works possess and that, by contrast, most contemporary Western art lacks.

New York's Museum of Modern Art's presentation of "primitive" works side by side with "modern" Western works in New York some years ago quite unintentionally made this point by demonstrating the superiority of the so-called primitive arts of Africa and the Pacific. The small Luba show confirms this.

Most of the works represent women as sacred mediators between men and the divine realm, since they are assumed to be more receptive to the messages of the spirits. Thus, according to Neyt, the breast-clutching gesture of some of these figures signifies the nature of the higher knowledge, divinely "breast-fed" to the king whose power these objects signify.

The slow and laborious emergence of African history is also attested to by an ambitious exhibition at the Musée des Arts d'Afrique et d'Océanie on the outskirts of the Bois de Vincennes, to Jan. 10. Assembled by the six states watered by the 4,200-kilometer (2,500-mile) Niger River, "Valleys of the Niger" attempts to present most of what is known about the cultural past of the people living

on the river's banks. As a result the exhibition is both good news and bad news.

The bad news is that the Niger, which rises not far from the ocean in Guinea and flows Northeast to Tombouctou in Mali, before turning south again to the region and the Atlantic, covers a territory too vast and varied to be easily comprehended at a glance. It waters the present states of Guinea, Mauritania, Burkina Faso, Mali, Niger and Nigeria. And the archaeological material presented, while probably fascinating to the expert, may strike the general public as slim and unimpressive.

The good news is that the exhibition, especially the second part, contains a number of items that can bow one over, including Nok clay figures and Benin bronzes that, together with the admirable life bronze and clay heads, are among the finest specimens of African art, whose extreme variety they illustrate.

The first part of the exhibition strives to be didactic, and there are plenty of pot shards and pebbles artfully laid out in sand, and aerial photographs from 800 meters that are about as easy to read as X-rays of your lungs.

The message pointedly made at the outset is that a tremendous amount of material of historical interest is clandestinely being dug out of the African soil and sold overseas, thus stripping a land without written records of priceless indications concerning its past. A statue taken out of context may be aesthetically satisfying, but vital information is also lost.

Impetus for the show was provided by Alpha Oumar Konaré, president of Mali, and also former president of the International Council of Museums, an organization that has always been much concerned with the preservation of national cultural resources.

THE catalogue is a hefty tome containing scholarly presentations. It is encyclopedic and includes essays on the languages spoken in the area and, somewhat implausibly, on the varieties of fish found in the river.

The museum's permanent collection, incidentally, includes a number of first-rate items that deserve better acquaintance.

The "Valleys of the Niger" exhibition goes on to the Rijksmuseum voor Volkerkunde in Leiden, the Netherlands, in March, to the Philadelphia Museum of Art in June, and then to Mali, Burkina Faso, Nigeria, Niger, Mauritania and Guinea, where the tour ends in March 1996.

Baudelaire on the Mean Streets of Paris

By Katherine Knorr
International Herald Tribune

PARIS — Charles Baudelaire's career took off with his funeral. His life as a poet had been a series of setbacks (though he was successful, after a fashion, with his translations of Poe and his literary criticism) that culminated in a legal action for obscenity. If Baudelaire lived the good life for a while, spending half of the 100,000 gold francs he inherited from his father on wine, women and nice threads, he paid for that liberty very dearly and died at 46 the classic death of the 19th-century bohemian, paralyzed by syphilis.

When the Guggenheim inaugurates a new gallery with explicit Mapplethorpe pictures, and rich and famous rappers are indicted for rape and murder, it's perhaps difficult to understand why anybody made such a fuss over Baudelaire's "Fleurs du Mal" (or for that matter, "Madame Bovary," also the subject of a famous trial). Baudelaire's idea of beauty, his hatred of the bourgeoisie, the morbid darkness of his vision were deeply shocking, however, as was Flaubert's plain description of adultery — a great deal more shocking in their context than the self-conscious bad taste that pretends to be art today.

Baudelaire was France's first truly modern poet. More than a century after his death, his anger and his wretchedness are still searing, his words still carry with them a smell of wine and sulfur.

His life, set against the dramatic background of the first half of the 19th century in Paris, is the subject of a delightful exhibition (until Feb. 15) at the Historical Library of the City of Paris. Manuscripts, drawings and paintings are juxtaposed with daguerotypes and photographs — Alget, Carjat, Nadar, but especially Charles Marville's views of the streets where Baudelaire lived (he moved a lot, and a large map of Paris shows more than 40 residences). Baudelaire had a brief moment of revolutionary fervor in 1848, and here are dramatic daguerotypes of the barricades that brought down Louis-Philippe. "Paris change!" Baudelaire wrote in "Le Cygne," and here are Marville's stark pictures of large parts of the city being destroyed to make way for Baron Haussmann's idea of the city beautiful.

The exhibition is rich in photographic portraits of Baudelaire, most of them famous and all of them charming his quick physical decline. As befits the institution, it's a bookish show, heavy on manuscripts, and without labels — the visitor must follow the numbers with a program.

Baudelaire was born in 1821, the son of François Baudelaire, then 62, once a priest and more recently a civil servant who was, his son said, a dreadful painter (paintings in the exhibition bear out Baudelaire's opinion). When the elder Baudelaire died in 1827, his widow, Caroline Dufays, quickly remarried a soldier, Jacques Aupick, a blow to the boy (who probably was not aware that she was pregnant; the child was stillborn a month after the wedding).

The Aupicks wanted only the best career for young Baudelaire, but he wasn't having any of that. Aupick went on to become a general, and an ambassador. Baudelaire was thrown out of one lycée for bad conduct, spent his time in law school experimenting with what he would later call "artificial paradises," and eventually walked away from any kind of career in order to write. Relations with his parents were none too good, and after he had spent 4,500 francs of his inheritance, they turned over control of the money to a notary, Maître Narcisse Ancelle.

Baudelaire's life ran on the roller coaster



Charles Marville's photograph of a Paris street scene around 1876.

of his finances, from bordellos to late-night cafes (wonderfully portrayed here in Constantin Guys drawings and paintings) to frequently sordid digs, alone or with Jeanne Duval, with whom he shared his longest and most destructive relationship; she is seen here in drawings by him and others. He was a dandy, he loved to eat and to drink ("Isn't it reasonable to think that people who never drink wine... are imbeciles or hypocrites?"), and he both celebrated and criticized hashish and opium: "Here is a green jam, singularly odorous, so odorous that it provokes a certain repulsion... Fill a spoon, and you possess happiness..."

"My dear Theophile," says an invitation, on display in the show; sent by the painter Fernand Boissard de Boisdenier to the poet Théophile Gautier, "hashish will be taken at my home Monday next."

His was a quintessentially Parisian life, and Marville's pictures are there to remind the visitor both of the beauty of Paris, and of its sinister side, street stalls, peeling facades, unquiet shadows, the Paris of the streetwalker and the hungry man. Baudelaire breathed that Paris, he saw the beauty in its ugliness, but he also saw the ugliness, the loneliness, the terrible sound of a carriage rattling over wet cobblestones before dawn. He was frequently desperate, disgusted by his life, the constant money worries, all the mornings after ("Laudarium and wine are had resources against sadness. They pass the time, but they don't remake life," he wrote to his mother in 1847). He was the poet of morbidity and decay, of love as torture or surgery.

IT would be wrong to see Baudelaire in modern terms, as counterculture rebel with or without a cause. Despite his brief excitement during the 1848 revolution (mostly manifested in threats to kill his stepfather), his politics were influenced by Joseph de Maistre and by Poe; he was contemptuous of the "people" and the idea of democracy. He disliked what now might be called happiness: "Modernity is the transitory, the fugitive, the contingent, half of art, of which the other half is eternal and immutable," and although he said that poetry must not serve a moral purpose, he also said that great poetry was by its nature spiritually uplifting.

If Baudelaire was disgusted by bourgeois mores, he was mostly full of rage about his own fate, not all of it someone else's doing. He was a champion winner, in letters to his mother for example, and quick to see himself as persecuted (by the trial, for example) when in fact he got repeated financial help from the state, and had his fine for "Les Fleurs du Mal" drastically reduced after he pleaded for help from the Empress Eugénie. Still, Baudelaire will live the best way, as he should: "If there is any glory to be had, it is in understanding... I can say, without boasting, that I have acquired and merited it with this little book."

The Case Against the Restoration Trend

By Michael Kimmelman
New York Times Service

NEW YORK — There is a disturbing trend in the art world, and James Beck, many an art restorer's bad dream, has done a good deed by calling attention to it in a new book.

Beck is the Columbia University art historian so outspoken in his opposition to certain high-profile restoration projects that he was threatened with jail in Italy for defaming a restorer.

His ceaseless and not altogether coherent attacks on the widely endorsed cleaning of Michelangelo's frescoes in the Sistine Chapel at the Vatican have earned him the enmity of powerful colleagues and made him something of an outcast.

He doesn't seem to mind. Part publicity bound, part Ross Perot-like populist gadfly who can be fast and loose with the facts, he has hastened his own marginalization by the art establishment. It would be a pity, however, if the essential message in "Art Restoration: The Culture, The Business and the Scandal" (published by John Murray in London and co-written with a British journalist and artist, Michael Daley) were ignored or minimized because of the messenger.

Beck's complaint is that too many important works of art are cleaned without serious cause and without anything like a consensus about technique. Alarmist though he is, he

quality and qualifications of restorers, or conservators, vary widely.

Fueling the industry are loan exhibitions, for which works are sometimes hastily cleaned to make them conform in appearance to other objects on view, and the expectations of a public used to the hyped-up colors of photographic reproductions and slides.

The bigger the news surrounding a restoration, the more people want to see it. The more people who see it, the bigger the environmental threat to the work may be. Art conservation is about what is done not only to the objects restored but also to the surroundings in which they are displayed. The health of a work, the commercial interests of its owners and public access to it are factors that sometimes compete.

Contentious though conserva-

tion can be in private, publicly the industry is reluctant to criticize itself and quick to challenge dissent from outsiders. Science has become the shield behind which the industry often hides. It has transformed conservation from a craft practiced mostly by artists to a discipline with the pretensions of medicine and the presumption of certitude.

In fact, the science of conservation is as changeable as the science of medicine.

The medical analogy is apt in another regard. Patients of restoration are works of art; and works of art are, like all living things, organically and inevitably changing and decaying over time. Restoration may prolong the life of an artwork but no conservator can restore it to youth, contrary to what the public is often led to believe.

When dirt is removed from an Old Master oil painting, the colors revealed are not necessarily the ones the artist put there. Some colors are naturally fugitive; greens tend to turn brown with age; reds, pinks, vermilions, are stable.

Science may tell us that once the accretions of the centuries are gone only the artist's work remains, but our eyes may tell us something different. Conservation at its best must be a combination of science

What was prescribed years ago may now be proscribed as damaging.

BOOKS

THE BOOK OF GUYS
By Garrison Keillor. 340 pages. \$22. Viking.

Reviewed by Michael Dirtda

UP till recently, and perhaps still, Robert Bly, guru of the men's movement, lived in Minnesota. From time to time, weary of leading captive hoodlums for 45-year-olds whose dreams had turned to ashes, the distinguished poet would relax by driving over to Lake Wobegon, Garrison Keillor's hometown. Once there he'd slow down at the Statue of the Unknown Norwegian, hurry nervously by Our Lady of Perpetual Responsibility, and then slip into the Side Track Tap for a little something to soothe the inner beast.

At the tavern Bly would often run into chubby-faced Keillor, and, after quaffing a few brewskies, the two would open up to each other about life's setbacks, "crud fathers, treacherous friends, abject poverty, rejection by women, dust storms, prison, tuberculosis, car wrecks, the boll weevil, and poor career choices, all the disasters familiar to fans of the great Johnny Cash."

Late some evenings, so I have

heard, Bly might also recite a poem or chant a bit, maybe pass on some ancient masculine wisdom. Not to be outdone, Keillor would then lean forward in his chair, take a sip from his beer, and whisper the strange history of Buddy the Loper, or even draw out some mildly bawdy tale, like the one about Zena's love affair with the Lutheran minister's wife.

Anyone who's ever listened to Keillor — he hosts "A Prairie Home Companion" on public radio — will recall the storytelling mastery of that liking, friendly voice, its familiar blurring of the real and the imaginary. Like an FM Gabriel Garcia Márquez, Keillor has, over the years, chronicled at least 100 years of solitude — and as much frivolity — in the Minnesota town that time forgot and radio brought back to life.

Of course, the yarns that he might spin to the regulars down at the Side Track Tap — and that now make up the contents of "The Book of Guys" — are sexier and rather more complex morally than those let loose on the airwaves. Moreover, there in that smoke-filled male bastion his usual microphone bonhomie would sometimes crack, the blithe folksiness darken with an edge of bitterness and spleen. As Keillor observed in his 1993 address at the National Federation of Associations convention, in this women-dominated world of ours it's all too easy for anyone to "sag inside and become stand up and careful, a guy who when he stands up you hear the tinkle of broken dreams."

Of course, humorists have always been presumed to be brokenhearted or mean-spirited; anguished on the

inside à la Pagliacci, scarcely disguising their misogyny like James Thurber, Keillor doesn't sink quite that far in "The Book of Guys," but most of these 20 or so stories, even the funniest, share a base of failure, loneliness, misunderstanding, and dwell repeatedly on unhappy marriages, the advent of middle age, the high emotional cost of simply being a husband, a father, a man.

All are wonderful reads, chockablock with good lines — "Her cutoffs were cut off as high as cutoffs can be cut without becoming a belt" — yet how few are what you'd call light-hearted or upbeat. Some even display an icily restrained indignation ("Winthrop Thorpe Tortuga," about the effects of sexual openness on a family, or the devastating "George Bush"). Many of the others implicitly re-echo with the words, "What fools these mortals be! — and I mean you and me too, bub."

There are plenty of sophisticated, as well as sophisticated, pleasures in "The Book of Guys." For instance, men who've resurrected their inner childman will probably also wish to learn how "to send subliminal erotic messages that hot babes are powerless to resist." As the ad for this surprisingly useful technique explains, "Hot babes have NO IDEA what's happening, only that they lust for your body and feel revulsion for ALL OTHER MEN! After an hour, they're TAKING OFF THEIR CLOTHES and yelling, 'Do it! Do it! Or your money cheerfully refunded.'" You can't beat a deal like that. Not even on a tom-tom.

Michael Dirtda is on the staff of The Washington Post.

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"The Mystic Marriage of St. Catherine," by Ludovico Carracci.

Bologna to the Rescue Of a Hometown Painter

By Ken Shulman

BOLOGNA — There are many artists who have not received their due over time. Like a clever scriptwriter winnowing down his characters for economy and comprehension's sake, traditional art history tends to choose a minimum of protagonists and represents only a few more in supporting roles. As in many similar "rehabilitation" exhibits, the Ludovico Carracci show at Bologna's Museo Civico is a convincing exercise in hometown, revisionist propaganda and a mostly successful effort to sculpt a niche for the Bolognese painter among the ranks of art's most important innovators.

Born in Bologna in 1555, Ludovico Carracci began his professional career in a workshop with his cousins Annibale and Agostino, and continued to collaborate with them through 1590. For centuries, the three artists were always evaluated as a single unit, one spoke of the work of "the Carracci." Of the three, Annibale, five years younger than Ludovico, was traditionally held to be the most talented and significant. Ludovico had a few, scattered supporters over the centuries. For the most part, he was labeled "a capable decorator" and tossed into the appropriate historical recycling bin. But like records in sports, historical judgments are also made to be broken. And in 1934, the historian Roberto Longhi almost single-handedly hoisted Ludovico Carracci out of the ranks of mediocrity. "The line grace of Correggio, the force of Tibaldi, amplitude worthy of Titian, all becoming sentimental life, battling between heaven and nearby earth, in a meteorological chiaroscuro shattered by miracles," wrote Italy's most important and authoritative 20th-century critic. "Certainly the art of Ludovico Carracci is not something to be approached at a tender age."

Still, 59 years would pass from Longhi's revision to the opening of Ludovico Carracci's first monographic exhibition. The Bologna show presents Carracci as a sensitive, innovative naturalist who served as a vital link between late Mannerist and early Baroque painting in Europe. More than 80 of the artist's paintings

are on display, representing the entire range of his production, which began in 1578 when Carracci obtained membership in the Bologna order of painters and ended at his death in 1619.

The works most germane to the exhibit curator Andrea Emiliani's case are those executed between 1585 and 1600, works in which Carracci had already assimilated the lessons of Correggio, Tintoretto, and Veronese and was able to give vent to his own current of experimental naturalism. Ludovico was rather slow to develop as an artist, and the elements that would later distinguish him as an important and often daring innovator are largely absent in his early works.

HIS first truly original painting, and one of the finest works in the show, is "The Conversion of Saint Paul" (1587). A dynamic, asymmetrical composition, the painting is a surging cascade of human bodies that threatens to crash out of the canvas and submerge the viewer. A vortex created by a swirl of darkness at the center of the composition and volcanic bursts of smoldering light at the top and bottom augment the sense of drama and draw the viewer into the scene.

This "stage" effect is prominent in most of Carracci's middle works. The "Borghese Madonna" (1588) and "The Sermon of Saint John the Baptist" (1590) are both extremely successful paintings that explore the space between the illusion of reality and the reality of illusion. They are truly modern, and radical for their time. In these large compositions, Carracci is able to foment a dramatic urgency in which light functions not as an element of illumination of accent, but almost as an incarnation of spirit straining to breathe within the grasp of Carracci's somber, autumnal palette.

The well-conceived Bologna show, which will travel to the Kimbell Art Museum in Fort Worth, Texas, in January, should reinforce Carracci's newfound stature as an important innovator in European painting. He may not deserve a place alongside Caravaggio, as one critic wrote in 1970. But he is certainly worthy of a solo exhibition, and of our attention.

Ken Shulman is an American writer based in Italy.

A Boom in Buying of Antiquities

LONDON — Suddenly, the art world is seized by a desire to buy that knows no bounds at auction. The 155.5 million franc (\$26.3 million) sale of French furniture and decorative objects from Hubert de Givenchy's collection in Monte Carlo had seemed to be one of those unique occurrences where the aura of a personality alone changes the rules of the game.

But what happened this week in London, particularly with antiquities from Egypt, Greece and Rome, sheds a very different light on the situation.

The first indications that something new is going on could be gathered as early as Tuesday afternoon when little Bonhams opened



Wooden Egyptian figure at Bonhams, left, and Caeretan water jar at Sotheby's.

SOUREN MELIKIAN

the proceedings. The London auction house, fourth in size behind Sotheby's, Christie's and even Phillips, has been cleverly carving out niches for itself in the lower financial echelons of several categories. Its lighter structure allows it to handle low-priced items at a profit.

This is particularly true in antiquities, where its catalogues — refreshingly free from pseudo-scholarly pretensions and, mostly, from speculation-driven estimates — hold an irresistible appeal to old-timers. This week, a large contingent of Egyptian works, as much in favor as ever, enhanced the attraction. Even so, it was something of a surprise to see the room packed with dealers ranging from international heavyweights to modest players.

More surprising still was the zest with which they all pounced on any decent piece. Right at the beginning, the headless and armless marble figure of a woman wearing the loose tunic (chlamys) and long robes of the Greek world in the third century B.C. tempted Thomas Hope of New York to pay £8,250 (\$12,375). That was 25 percent more than the high estimate. A marble torso, of which there are many more — even if this one is excellent — carved — went up to £15,400. That was 40 percent more than expected.

WHEN it came to the Egyptian pieces, particularly turquoise-frit figures of the most standard type, each one became an excuse for bidding matches between professionals. They often involved Jerome Eisenberg of New York and Los Angeles (Royal Athenaeum Galleries), Hans Humble of Zurich and Walter M. Banko of Montreal. Eisenberg, having paid £2,970, three times the high estimate, for a small turquoise Isis with the child Horus on her knees, had to give up on a Bes figure. As it ended up at £2,640, 10 times the high estimate, Eisenberg growled: "This is four times the retail price."

ing the Judgment of Paris, however glamorous the provenance — it came from Northwick Park where the collection of Captain Spencer-Churchill was kept until its dispersal in 1963 — the price is amazing. This was outshone by the next important piece with a glamorous provenance: an outstanding bronze bust of the Roman Emperor Caligula, which came from the Schiz-Rüsch collection. An expression of mentally disturbed ferocity is conveyed to perfection by the tight-lipped evil smile. Unfortunately, the bust shows some damage. The grin seemed more devilish than ever as the object climbed to £265,500, eight times the high estimate.

While extraordinary works can lead to such outbursts, the competition between dealers triggered by the appearance of virtually any fine Egyptian piece is in a way more revealing about the effort-essent mood in the market. There seemed to be no limit to their determination when a Paris dealer and a German operator engaged each other over a superb mask from a wooden sarcophagus of the New Kingdom. They sent it flying to five times the high estimate. The Parisian won the contest at a cost of £6,900.

In the afternoon, when part of the collection of Ancient Egyptian glass came up, the fever went up several points. Ali Abou Ta'am, a Beirut dealer who has systematically set his sights on the biggest lots over the past 12 months, carried off the great prize, an extraordinary

private affair even though he made no secret of it. Indeed, in 1982 many of its masterpieces were reproduced in a volume edited by Hansjörg Bloesch, a professor of Greek archaeology at Zurich University. The title "Greek Vases from the Hirschmann Collection" could not have been more explicit. Later, many of these were exhibited in the small university museum.

Fellow collectors in Switzerland say that the show was a prelude to the request that Hirschmann intended to make to Zurich University. Nothing would have deterred him from this purpose, they say, had it not been for a clash with a scholar who teaches at the univer-

sity and who disapproves of collecting antiquities because of the trail of destruction it generates: sites summarily dug up, objects broken, documentary evidence lost forever.

"Well, don't you like them?" Hirschmann is reported to have asked as they went through the exhibition. To which the scholar is supposed to have replied icily after a silence: "Nothing justifies the loss of provenance." That did it, the story goes. If it is true, the Sotheby's should erect a statue to the scholar.

The element of surprise was a factor in the outcome of the sale. So too was the cohesion of the collection, which reflected a highly distinctive aesthetic vision, with a preference for the monumental and a feel for rhythmical quality. Hirschmann may have turned to Bloesch for advice, as sources say, but in the end, when he bought from Herbert Cahn, Leo Mildenberg and other leading Swiss dealers, it was his eye that guided him. The result was stunning.

NO ONE ever imagined that an object such as the Caeretan water jar (hydria) of the late sixth century B.C. decorated with the feats of an unidentified hero would turn up at auction. Such works would normally be handled by dealers, behind closed doors.

The price is commensurate to the surprise. At £2.2 million, the jar set an all-time record for any antiquity. This is far above the previous highest price paid for Greek pottery — \$1.76 million at Sotheby's New York in 1990, at the height of the market, for a fragmentary Attic figure piece signed by the famous Euphronios.

Interestingly, in his excesses, buyers retained a sense of proportion. The next highest price, £891,500, paid for a water jar of identical size with formal motifs pointing to the same workshop, reflects the difference in beauty between the figure scenes. And in that same Hirschmann sale, 15 lots sold under £4,000 — there was no silly buying. Likewise, in Christie's sale there were plenty of failures to sell (as the day before at Bonhams) when the estimates were deemed unjustified.

With all its financial muscle, the new market is tough, even ruthless as minute speculation is suspected. Auction houses, take notice. There will be no easy ride.

FOR SALE / SOLD

Big on bears: A blue teddy bear that was a commercial flop as a cuddly toy was a hit with collectors when it sold at Christie's London for £49,500 (\$74,000). The 13-inch (33-centimeter) blue bear, named Elliott, is one of the world's rarest teddies. It was produced by the German firm Steiff as a sample around 1908 for Harrods, but the store's toy buyer sent him back as commercially unattractive because of its color — brown was preferred. The record price for a teddy bear, £55,000, was paid two years ago for another Steiff bear.

High-priced horror: A 1925 poster from "The Phantom of the Opera" horror movie sold for \$41,400 at Sotheby's New York. The second highest price at the auction of 320 movie posters was \$29,900 for a 1931 "Frankenstein" poster.

Presidential penmanship: A letter from Abraham Lincoln, consisting of one of his son's friends on his failure to get into Harvard sold at Christie's New York for a record \$728,500. A 1775 letter from John Adams to fellow revolutionary Richard Henry Lee, in which he details a plan for a constitutional government, fetched \$409,500, and a copy of James Monroe's 1817 inaugural address went for \$322,500. The prices were the highest ever for handwritten documents by the three presidents, the auction house said.

Pages from Palestine: Twelve vellum fragments believed to date from the wars between the Crusaders and the Saracens in Palestine were sold at Sotheby's for £13,800. The British rare-book dealer Quaritch bought the fragments, which were torn from 12th-century Christian manuscripts and have contemporary Arabic inscriptions. Sotheby's believes they are relics of the Saracens' 1187 sack of Jerusalem.

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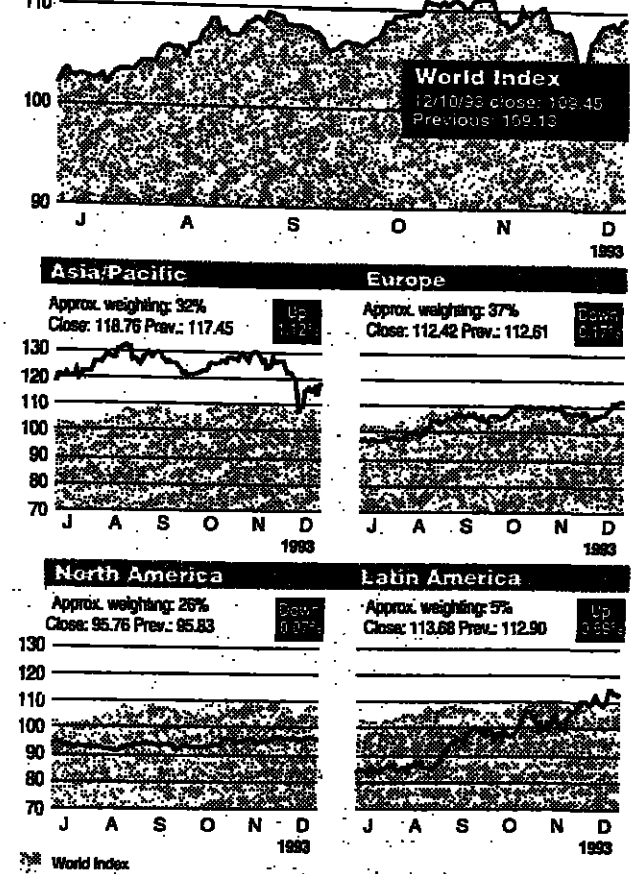
LEICA BINOCULARS. A VISION FOR GENERATIONS

International Herald Tribune, Saturday-Sunday, December 11-12, 1993



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Table with 4 columns: Index, Pct. change, Pct. change, Pct. change. Rows include Energy, Utilities, Finance, Services, Capital Goods, Raw Materials, Consumer Goods, Miscellaneous.

For more information about the index, a booklet is available free of charge.

Economy Reheats In China

Leadership Takes Foot Off Brakes

BEIJING — China's economy is heating up again after just four months of cooling down in what economists said was a sure sign the government had released the brakes for another burst of growth.

But the policy might have been too tight, according to a report from the Communist Party's Central Committee in mid-November called for "fast, healthy growth" in what economists said was a sign the retrenchment policy was hurting the state sector too hard and was being eased.

Thanks to extraordinary growth in the money supply in the first half of the year, industrial output grew at a hectic pace, reaching 30.2 percent in June and fueling inflation.

Japan's GNP Jumps a Bit

But 3d Quarter Data Called Misleading

By Steven Brull

TOKYO — Surprising figures produced by the government Friday showed the Japanese economy growing at a rate well above the recessionary pace the Japanese have resigned themselves to.

But economists said that the data, which showed the gross national product expanding at an annual rate of 1.5 percent, were misleading. That view was reinforced by a report from the central bank that business sentiment had sunk to new lows.

Gross domestic product, which does not include net income from overseas production, rose at an annual rate of 2 percent, the government said.

News that the gross national product of the world's second-largest economy grew between July and September came too late for financial markets to react.

Most economists expect Japan's economy to shrink in 1993

"The economy is still crawling along the bottom."

With little improvement next year, Nomura Research Institute predicted Thursday that the economy would contract by 1.1 percent in the current fiscal year, which ends March 31, and fall by 0.4 percent next year.

ment of Prime Minister Morihiro Hosokawa. They could also delay efforts to stoke the economy, economists said.

Yet even Mr. Hosokawa's economic advisers found little optimism in the new numbers. "The economy is still crawling along the bottom, but there are ripples in the numbers from quarter to quarter," said Tsutomu Tanaka, deputy minister of the Economic Planning Agency.

"It's incredible and confuses everybody," said Mineko Sasaki-Smith, economist at Morgan Stanley in Tokyo.

Most experts had predicted a contraction after a decline the previous quarter and a recent string of indicators showing rising unemployment, falling industrial production and consumer spending, and sluggish growth in bank lending.

U.S.-EC Dispute Over Shipping Hits GATT Talks

Other problems that could threaten a deal were focused on the area of services and in the shaping of new rules against dumping.

Meanwhile, Foreign Minister Alain Juppé of France urged EC leaders, meeting in Brussels, to take a tough line on world trade negotiations and insisted that all of France's demands be met.

Speaking after a meeting of EC foreign ministers, Mr. Juppé assailed the EC Commission's conduct of the negotiations in Geneva, especially regarding the film and television sector.

"I don't want the negotiations to See GATT, Page 13

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"I don't want the negotiations to See GATT, Page 13

Nynex May Cut 22,000 Jobs

By Steven Brull

WHITE PLAINS, New York — Nynex Corp. is moving to cut costs in the face of intensifying competition, could eliminate as many as 22,000 jobs, or 28 percent of its work force, over the next three years, a spokesman for New York Telephone said.

prevent any layoffs in 1994, 1995 or 1996," said Jan D. Pierce, vice president of the CWA District 1.

Mr. Pierce said Nynex will have trouble cutting that many employees while continuing to maintain its service quality standards set by the public service commission.

A spokesman said that Nynex hasn't determined the final number of jobs to be cut or when they will be announced. He said the number depends on several factors, such as whether Nynex will be able to offer cable television in the future.

Under the breakup of the Bell System, Nynex and the six other Baby Bells are prohibited from offering cable television services in markets where they provide phone services. Nynex has asked a federal court to declare a cable-television law unconstitutional and allow the company to offer cable service in the seven states where it provides local phone services.

ECONOMIC SCENE

Europe Picks Up the Subatomic Pieces

By Barry James

GENEVA — Will Europe's ambitious plans for a new particle smasher fall to the same budgetary black hole as the defunct Superconducting Supercollider in Texas?

For several reasons, the answer is no. Although scientists in other fields sometimes grumble about the proportion of government budgets devoted to particle physics research, there has been little outside opposition to the project.

Still, the 19-nation European Laboratory for Particle Physics, known from its French initials as CERN, is making sure it does not have the budgetary rug pulled from beneath it. To make its case, the lab is arguing that subatomic research has many direct and indirect benefits for advanced economies.

The laboratory's proposed Large Hadron Collider "does not have such a high profile as the SSC project," said Graham Thompson, who teaches physics at Queen Mary College, London. "Nor is it in direct competition with something like the space station. The difference is that in the United States, people said that the SSC was being built instead of putting the money into welfare programs."

Final proposals for the collider and a description of planned experiments will be put to the council of member countries next Friday. At the end of the year, a new director-general of CERN, Chris Llewellyn Smith, takes over from Carlo Rubbia of Italy. By next April, scientists hope the council will be in a position to approve the project, enabling the collider to start operating early in the next century.

The organization's strength is its internationalism. While the Texas collider succumbed to a vote in Congress, none of CERN's members is able individually to stop a project approved by the council.

Although the cost at 2.5 billion Swiss francs (\$1.7 billion) is high, it is far less than the \$10 billion price tag on the U.S. machine. That is because the laboratory here already has an array of particle accelerators and detectors, and the hadron collider will fit inside an existing 27-kilometer (16.6-mile) tunnel under the Jura Mountains in eastern France.

The tunnel was built to house an electron-positron collider, which smashes lighter particles known as leptons. It was always planned to build a hadron collider at some stage in the tunnel.

knowledge of the universe when it was only billions of a second old.

Mr. Hoffmann is preparing a report on economic spin-offs for the International Committee for Future Accelerators, which represents particle physics laboratories around the world. He listed these economic spin-offs from particle research:

• Accelerator development: More than 1,000 accelerators are used for diagnosis and treatment in hospitals, and the World Health Organization says at least 10,000 such machines are needed to meet world needs. Accelerators also are used in nondestructive testing, such as inspecting aircraft for cracks and checking baggage containers at airports.

• Computers: The Large Hadron Collider will exploit extremely complex computer technology. For example, each of its two detectors will have a data handling capacity greater than the entire world telecommunications network today.

leader," said Hans Hoffmann, director for technical support, "although I have heard criticism of the cost."

He added, "I do not think the council will abandon the project, but they will certainly put stringent conditions on the financing and cut down on personnel."

Leon Lederman, a Nobel physics laureate, estimates that 25 percent to 30 percent of the industrialized world's economy stems from fundamental physics research.

Mr. Hoffmann is preparing a report on economic spin-offs for the International Committee for Future Accelerators, which represents particle physics laboratories around the world. He listed these economic spin-offs from particle research:

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Table with 4 columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Forward Rates

Notes applicable to interest bank deposits of \$1 million minimum (or equivalent).

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Source: ING Bank (Amsterdam); Indusbank (Brussels); Banco Commerciale Italiana (Milan); Agence France Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (DCR). Other data from Reuters and AP.

Source: Reuters, Bloomberg, Merrill Lynch Bank of Tokyo, Commerzbank, Greenwich Associates, Credit Lyonnais.

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MARKET DIARY

Dow Sets a Record On Inflation Data

Compiled by Our Staff From Dispatches NEW YORK — The Dow surged to a new record Friday, spurred by a report of low inflation, but the broader market remained weak.

The Dow Jones industrial average advanced 10.89 points to 3,740.67, edging past the record of 3,734.53 set Wednesday.

But declining issues outnumbered advances by about a 9-to-7 ratio on the New York Stock Ex-

change, and the NYSE composite index and the Nasdaq composite were both slightly lower.

Volume on the NYSE dropped to about 245 million shares, from about 283 million a day earlier.

Consumer prices rose a modest 0.2 percent in November, the Labor Department said, after a 0.4 percent rise the month before.

The figure, which was in line with market expectations, followed news Thursday of a flat reading in wholesale price inflation for November but a surprising 0.4 percent rise in the so-called core rate, which excludes food and energy costs.

Analysts said the inflation reports generally confirmed widely held notions about the economy and therefore did not give traders a reason to buy or sell.

European Currencies Gain Against Dollar

Compiled by Our Staff From Dispatches NEW YORK — The dollar fell against most major European currencies but climbed against the yen Friday in slow trading, as the market tried to read signals from the U.S. economy and the ongoing negotiations on a new world trade agreement.

The dollar dropped to 1.6973 Deutsche marks from 1.7037 DM at the close Thursday, but climbed to 109.21 yen, from 108.66 yen.

It also fell to 1.4540 Swiss francs, from 1.4650 francs the day before, and to 5.8110 French francs, from 5.8388.

The British pound was unchanged at \$1.4945.

The yen weakened after the publication of the quarterly Tankan report on Japanese business suggested a poor economic outlook.

The Bank of Japan said the diffusion index for major manufacturing companies, an important gauge of corporate expectations for the economy, stood at minus 56 in November, down from minus 51 in August and barely above its record low reached in 1976.

With interbank trading winding down in the final weeks of the year,

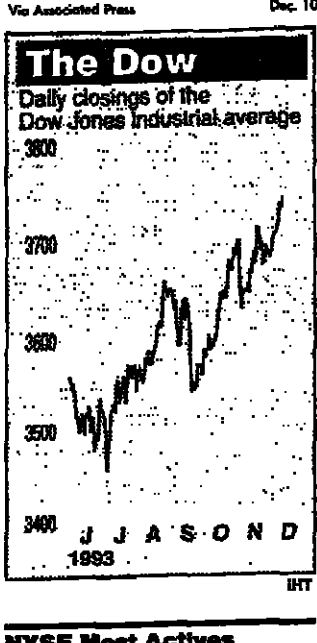
but a world trade agreement still hanging in the balance, dealers said the market could turn volatile, because smaller transactions will tend to have a bigger impact.

The dollar got some support Friday from news of further improvement in consumer sentiment in the United States, as the University of Michigan's index of consumer confidence was reported to have jumped to 87.7 in early December from 81.2 in November.

But news earlier in the day of continued low inflation in the United States had already undermined dollar sentiment. Low inflation makes it unlikely the Federal Reserve System will raise interest rates, so yields on dollar investments are likely to remain low.

"People think the dollar is due for a correction," said Ian Gunner, international economist at Chase Manhattan Corp. in London. He added that when investors see data like the consumer confidence survey, "it's very difficult to sell it."

Lee Ferridge, treasury economist at NatWest Capital Markets in London, said he expected a dollar rally "before the year-end." He said the currency was "just waiting for the trigger to make it happen."



Daily closings of the Dow Jones Industrial Average 1993

Dow Jones Averages table with columns for Index, Open, High, Low, Last, and Change. Includes Standard & Poor's Index and NYSE Index.

NYSE Most Actives table listing top trading stocks like Amgen, Intel, and Microsoft with their volume and price changes.

AMEX Stock Index table showing various market indices and their performance.

Dow Jones Bond Averages table listing different bond categories and their yields.

Market Sales table showing trading volume for various market segments.

NYSE Odd-Lot Trading table showing odd-lot trading activity for various stocks.

S&P 100 Index Options table listing call and put options for the S&P 100 index.

NYSE Diary table providing a daily summary of market activity.

AMEX Diary table providing a daily summary of market activity for the AMEX.

NASDAQ Diary table providing a daily summary of market activity for NASDAQ.

EUROPEAN FUTURES table listing various futures contracts like COCOA, SUGAR, and METALS.

Food table listing food-related futures contracts.

Metals table listing metal-related futures contracts.

Financial table listing financial futures contracts.

Grains table listing grain-related futures contracts.

Livestock table listing livestock-related futures contracts.

Gold table listing gold-related futures contracts.

Oil table listing oil-related futures contracts.

Other table listing various other futures contracts.

Industrials table listing industrial-related futures contracts.

Energy table listing energy-related futures contracts.

Commodities table listing various commodity futures contracts.

Stocks table listing various stock-related futures contracts.

Options table listing various options-related futures contracts.

Other table listing various other futures contracts.

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Consumer Prices Rise Moderately

WASHINGTON (Combined Dispatches) — Consumer prices rose 0.2 percent last month as a modest rise in food and beverage prices was offset by a fall in energy costs, the Labor Department said Friday.

The increase, which was in line with Wall Street expectations, followed a 0.4 percent increase in October. After stripping out the food and energy components, the so-called core rate of inflation was 0.3 percent last month, the same as in October.

In the first 11 months of this year, consumer prices rose at an annualized rate of 2.8 percent, about even with the increase of 2.9 percent for all of 1992.

Separately, the University of Michigan's preliminary consumer sentiment index for December surged to 87.7 from 81.2 in November, people with access to the survey said. The reading was the highest since January, when it was 89.3.

U.S. and Britain Adjourn Air Talks

LONDON (Reuters) — Talks on an "open skies" agreement between Britain and the United States were adjourned Friday until the new year, sources close to the talks said.

A new meeting was set for Washington on Jan. 18, even though sources such as a ban on flights to Heathrow airport by American Airlines and United Airlines could be imposed as early as Jan. 12.

"They've got nowhere. It's still deadlocked," an airline industry source said. Britain wants foreign ownership curbs on U.S. airlines lifted so British Air can step up its cooperation with USAir. The United States wants increased access to Heathrow.

Kaiser Aluminum Increases Charge

HOUSTON (Bloomberg) — Kaiser Aluminum Corp., battered by depressed markets, said Friday it expected to take a fourth-quarter pre-tax charge of \$65 million to \$95 million for the previously announced restructuring of its Trentwood unit, among other items.

In the fourth quarter of 1993, Kaiser had net income of \$2.6 million, or 5 cents a share, on revenue of \$496 million. Last month, the company reported a third-quarter loss of \$21 million, or 42 cents a share.

At that time, it said expected to take a fourth-quarter charge of \$30 million to \$40 million for the restructuring of the Trentwood flat rolled products operation in Spokane, Washington. The charge now would reflect, but the company would not say what other items it would reflect.

Marion Merrell Raises Japan Stake

NEW YORK (Combined Dispatches) — Marion Merrell Dow Inc. said its Marion Merrell Dow KK unit in Japan had raised its stake in Kodama Ltd. to 38 percent from 20 percent and planned to raise it to 50 percent in early 1994.

It did not disclose financial terms. Kodama is a Japanese pharmaceutical company.

Stamps at Home, via Time Warner

NEW YORK (Bloomberg) — Time Warner Inc. said Friday it had reached an agreement with the U.S. Postal Service on a service that would allow some cable-television customers to buy stamps and envelopes from their homes.

Under the agreement for the service, which will be included in the interactive cable-television network the company is building in Orlando, Florida, customers also could have packages picked up by the Post Office, Geoffrey Holmes, Time Warner's vice president for new technology, said. The Orlando system is scheduled for operation in early 1994.

For the Record

Canadian Airlines and AMR Corp. said they reached a settlement with the Gemini computer reservation system over Canadian Air's proposed withdrawal from the system.

Prudential Insurance Co. of America was placed under review by A.M. Best Co., a major insurance rating agency, which cited uncertainties resulting from a limited-partnership scandal and risks in its property-casualty insurance business.

No German Rate Cuts Soon

FRANKFURT — The Bundesbank will not sanction any further interest rate cuts in 1993, the Frankfurter Allgemeine Zeitung said Friday. In an article to be published Saturday, the daily cited Bundesbank sources as saying the bank's council has no intention of cutting its discount or Lombard rates at its meeting Thursday. It said the decision Dec. 2 to set its short-term rate at 6.0 percent until Jan. 5 was a signal it wanted no further changes, the paper said.

The Bundesbank is expected to announce its 1994 M3 money supply growth target, set at 4.5 to 6.5 percent this year, at the Dec. 16 meeting. It is likely to be similar to this year's range, President Hans Tietmeyer said.

WORLD STOCK MARKETS

Table of World Stock Markets showing indices for Amsterdam, Brussels, Frankfurt, London, Milan, Madrid, Sao Paulo, Singapore, Stockholm, Tokyo, Zurich, and others.

Table of various international stock indices and their performance.

U.S. FUTURES

Table of U.S. Futures contracts including Grains, Livestock, and other commodities.

U.S. AT THE CLOSE

Table of U.S. Market Data including Dow Jones, NYSE, and various futures contracts.

U.S. AT THE CLOSE

Table of U.S. Market Data including Dow Jones, NYSE, and various futures contracts.

Sweden Clears Gota Bank Sale To Nordbanken

STOCKHOLM — The government said Friday it had approved the sale of Gota Bank to Nordbanken, a day after the only other remaining bidder had withdrawn its offer.

Both Gota Bank and Nordbanken came under state control after suffering heavy losses during Sweden's crisis in its financial sector in 1992. Swedish press reports have said the two would be sold back to the private sector after they were merged.

The acquisition, announced by Taxation Minister Gö Lundgren, will create Sweden's biggest bank in terms of market share of lending and deposits. It was approved after Skandinaviska Enskilda Banken and Handelsbanken dropped out of the bidding this week.

Gota Bank's capital base has been maintained this year with the help of a state guarantee. Directors of Sweden's Bank Support Authority decided that before Gota Bank could be split into two parts and the healthy portion sold, the bank would have to be recapitalized.

According to the Bank Support Authority, Gota Bank needs a capital infusion of 3.1 billion kronor (\$373.1 million) to attain a capital

ratio of 9 percent. The minimum it must attain is 8 percent.

Retriva, the company that will take over Gota's problem loans in 1994, needs 3.8 billion kronor in shareholders' equity, according to the Bank Support Authority. Government financing will be arranged for Retriva, and the state will provide a guarantee of 3.5 billion kronor as well.

Nordbanken, whose problem loans were placed in a unit called Securum at the beginning of this year, had an operating profit of 2.5 billion kronor in the first nine months of 1993. Gota Bank had a loss of 8.4 billion kronor in the same period.

In addition, Gota Bank's current president, Per Lundberg, will leave his post at the end of the year.

Skandinaviska Enskilda Banken withdrew its bid for Gota Thursday. Svenska Handelsbanken, another Swedish banking company, also withdrew a bid this week, and GE Capital, a subsidiary of General Electric Co, dropped out last month.

Separately, Standard & Poor's Corp. said it had assigned short-term ratings of A-1 to debt of Nordbanken units, with negative implications. (AP, AFX, Reuters)

Canal Plus: Poised for Global Leap? French Law Opens Way for Big Multimedia Groups

PARIS — The government is preparing the way for Canal Plus SA, Europe's leading pay-television company, to join the top league of global media companies.

While France's negotiators in the world trade talks were raising alarm over the threats posed by U.S. cultural hegemony, the national parliament approved a law on audiovisual ownership and management last week that lays the ground for the establishment of large multimedia groups.

France is joining other nations, including Britain and Turkey, in relaxing its rules on radio and television station ownership. It wants to foster the emergence of powerful media groups that will be able to compete with foreign media companies.

The new regulations will allow any shareholder in the country's three privately owned television companies to raise its ownership stake to a maximum 49 percent, from 25 percent now.

The rules will position French media companies better than ever before to vie for a slice of the fast-growing global information and entertainment market, say government officials, media executives and industry analysts.

"With international competition, the technological race and the dismantling of regulatory barriers, the weakness of French television will become blatant," said Pierre Lescure, director-general of Canal Plus.

Véronique Bouffard, a spokeswoman for the Communications Ministry, said the regulatory reforms would provide "a platform for the creation of large French multimedia groups in the private sector."

The French government has long been con-

cerned about the popularity of American movies and television among its citizens. And the race taking place in the United States to develop information superhighways, coupled with the development of satellites in Europe, is giving France's quest for media parity a sense of urgency.

"The Americans are on the verge of winning a definitive world monopoly," said Communications Minister Alain Carignon. "I simply wish for one or two French companies to be able to play with the big boys."

Canal Plus, the government believes, has the potential to lead France's counter-offensive in international media.

"Only Canal Plus makes enough profit to invest for growth and diversification here and abroad," Mr. Carignon said.

Since its introduction in 1984, Canal Plus' blend of movies and sports, unique in France, has drawn viewers in ever-rising numbers, making it the most profitable of the nation's three commercial, terrestrial TV networks.

Which companies, if any, might want to help imbue Canal Plus with the strength of a Time-Warner or a News Corp. is a question consuming the French media business.

The communications group Havas looks like the most probable investor, analysts say. Canal Plus's No. 1 shareholder, with a 23.5

percent stake, Havas also has a 30 percent stake in Andiofina, the company that controls Luxembourg-based Compagnie Luxembourgeoise de Télécommunications, another of Europe's most powerful media companies. Havas also commands some of the country's largest publishing and media-buying companies, and its Euro-RSCG unit is the largest advertising company in France and the seventh-largest in the world.

Havas does not have the cash necessary to buy an additional 25.5 percent stake in the broadcast and production channel. But that can be easily overcome, analysts say.

Canal Plus's other large shareholders, the water and engineering concern Compagnie Générale des Eaux and the bank Société Générale, could give Havas their respective 20.4 percent and 5.1 percent stakes in Canal Plus in exchange for Havas shares.

The industrial logic of forming a multimedia group comprising Havas, Générale des Eaux, which is France's leading cable operator, and Canal Plus is compelling, experts say.

Canal Plus had net profit of 676 million francs (\$113 million) in the first half of this year, up 33 percent from a year earlier. It has predicted full-year earnings of 1.2 billion francs, 10 percent higher than in 1992.

In comparison, the popular Television Française 1 SA, or TF1, reported a profit of 281 million francs in the first half, down 14 percent. The third commercial channel, M6, had a profit of 120 million francs last year; it says it expects similar earnings this year.

At the end of September, Canal Plus had 5.5 million subscribers, with nearly 2 million outside France. It also had 80,000 customers for its satellite-delivery service.

France is joining other nations in relaxing its rules on radio and TV station ownership.

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Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2200	3300	2200
2100	3200	2100
2000	3100	2000
1900	3000	1900
1800	2900	1800
1700	2800	1700
J A S O N D	J A S O N D	J A S O N D
1993	1993	1993

Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	140.00	140.40	-0.28
Brussels	Stock Index	7,318.15	7,357.48	-0.53
Frankfurt	DAX	2,161.13	2,175.80	-0.67
Frankfurt	FAZ	826.26	827.94	-0.20
Helsinki	HEX	1,580.05	1,566.93	-1.08
London	Financial Times 30	2,459.70	2,463.00	-0.13
London	FTSE 100	3,261.30	3,271.60	-0.31
Madrid	General Index	308.05	308.61	-0.18
Milan	MIB	1,282.00	1,285.00	-0.23
Paris	CAC 40	2,198.13	2,211.40	-0.60
Stockholm	Affaersverlden	1,550.93	1,571.34	-1.30
Vienne	Stock Index	469.72	472.78	-0.65
Zurich	SBS	876.40	875.01	+0.14

Sources: Reuters, AFP
International Herald Tribune

Very briefly:

- France's trade surplus swelled to 9.57 billion francs (\$1.64 billion) in September, after 2.90 billion francs in August, driven largely by industrial goods; inflation eased to a range of 2.1 percent to 2.2 percent in the year to November, after 2.2 percent in the year to October.
- Dassault Aviation's chairman, Serge Dassault, said the company was halving the job cuts it has planned for 1994 to 250.
- Pearson PLC's sale of a 55 percent stake in its Camco International Inc. unit through an initial public offering raised \$130 million (\$194 million).
- Tiphook PLC, the troubled British ship container company, said the proportion of its containers in use shipped to 81.98 percent in November, from 82.31 percent in October.
- SKF Group, the Swedish ball-bearing maker, said its Spanish unit, SKF Española SA, would close its troubled manufacturing plant in Madrid next year; the facility employs 280 people.
- SNI-France, a unit of Siemens-Nixdorf Informations Systems, said it had a net loss of 446 million francs in the year that ended in September.

SUMMIT: EC Tepid on Jobs Plan

Continued from Page 1

Community's budget, not necessarily to a shuffling of funds in favor of the farmers.

French officials also indicated that Mr. Balladur would be pressing Chancellor Helmut Kohl of Germany to drop his opposition to a strengthening of the Community's trade weapons, another Paris condition for supporting a trade deal, in exchange for concessions on EC support payments for German farmers, which face cuts because of the Deutsche mark's strength.

Mr. Kohl's spokesman said Germany continued to oppose a proposal to give the commission new powers to impose duties on cut-price or subsidized imports, but the subject was expected to come up at the leaders' dinner Friday and again Saturday at a breakfast meeting among Mr. Balladur, Mr. Mitterrand and Mr. Kohl.

GATT: Snag on Shipping

Continued from Page 11

fall today because the Hollywood lobby is more powerful than the French agricultural lobby," Mr. Juppé said.

Top officials from four big trading nations plan to meet over the weekend in an effort to resolve the trade disputes. They are the U.S. trade representative, Mickey Kantor; his EC counterpart, Sir Leon Brittan; Foreign Minister Tadamasa Hata of Japan; and Trade Minister Roy MacLaren of Canada.

In Washington, Mr. Kantor said Friday that the "odds have certainly shifted in favor" of a successful conclusion to the GATT talks, but that "we are not there yet."

In other developments, Japan put off a final decision on allowing rice imports, as demanded by the United States and other exporters. (AP, Reuters, Bloomberg)

Smoothing Out Volvo's Ride

By Richard W. Stevenson
New York Times Service

LONDON — Volvo may have built its reputation on solid reliability and concern for safety, but its shareholders are enduring an uncharacteristically hair-raising ride.

The messy collapse earlier this month of its plan to merge its car and truck-building operations with those of Renault, owned by the French government, has left Volvo without a chairman, without a functioning board, and without enough long-term financing or a strategy for the next few critical years.

Amid the wreckage of the Renault deal, however, are signs that Volvo might be able to engineer a wholesale corporate restructuring.

Volvo is by no means assured of success. In an increasingly competitive industry, it is among the last independently owned companies of its size. Volvo sold just over 300,000 cars worldwide last year, about 6 percent of GM's annual sales of more than 5 million.

Volvo has suffered through three years of heavy losses in its car business, caused primarily by a sharp downturn in sales in its three main markets, Sweden, Britain and the United States. The company's production costs, by world standards, remain high.

Moreover, although its truck business remains healthy, Volvo faces difficulty raising the hundreds of millions of dollars it needs to begin developing its next generation of cars.

But if, as expected by analysts, the company shifts away from its diversification strategy of the last decade and begins selling some of its noncore holdings such as its stake in a pharmaceutical company, it could at the least buy time to put its automotive operations on sounder footing.

Volvo's B-class shares, the most heavily traded, closed in Stockholm on Friday at 483 Swedish krona, or about \$58, unchanged for the day but back at roughly the level they stood before the announcement of the merger with Renault sent them tumbling earlier this year.

In the next year or two, Volvo's shares are likely to be supported by an earnings rebound that began this year.

The company is beginning to reap the benefits of a cost-cutting program. And with the economies of the United States and Britain bouncing back, vehicle sales in those markets have risen this year, helped by the introduction of the full line of its new 850 series passenger car.

Britain's Trade Gap Widens

LONDON — Britain's trade deficit nearly tripled in September as imports climbed 4.1 percent, the Central Statistical Office said Friday.

The trade gap widened to a provisional £1 billion (\$1.49 billion) from £347 million in August, the office said. The August figure was revised downward from an originally reported £419 million.

But economists warned that monthly figures were easily distorted by special items and said quarterly data provided a better picture of the trade balance.

"Underlying export volume is still outpacing import volume with the rest of the world," Sudhir Janankar, deputy director of economics at the Confederation of British Industry, said. "Our own information suggests our major competitors' unit costs are rising and British manufacturers are gaining export share."

Exports in September fell to £10.31 billion from £10.52 billion, while imports rose to £11.32 billion from £10.87 billion.

NASDAQ

Friday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	High	Low	Lowest	Open
120	115	IBM	4.00	3.6	15	120	115	110	118
100	95	Microsoft	0.00	0.0	15	100	95	90	98
80	75	Oracle	0.00	0.0	15	80	75	70	78
60	55	Sun	0.00	0.0	15	60	55	50	58
40	35	Intel	0.00	0.0	15	40	35	30	38
20	15	HP	0.00	0.0	15	20	15	10	18
10	5	Motorola	0.00	0.0	15	10	5	0	8
5	0	Apple	0.00	0.0	15	5	0	0	4
1	0	Compaq	0.00	0.0	15	1	0	0	0.5

NYSE

Friday's Closing Tables include the narrowest prices to the closing on Wall Street and do not reflect into trades elsewhere. Via The Associated Press (Continued)

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, High, Low, Last, Change. Lists various stocks and their performance.

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INTERNATIONAL FUNDS

Dec. 10, 1993

Quotations supplied by funds listed. Not shown values are supplied by the Funds listed with the exception of some quotes based on issue prices.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (bi) - bi-weekly; (m) - monthly; (q) - quarterly; (a) - annual; (n) - not available.

Main table of International Funds with columns for fund name, share price, and other details. Includes sections for EQUITY LIMITED, BOND MARKETING GROUP, EUROPEAN FUNDS, and various international equity and bond funds.

AS - Australian Dollars; AU - Austen Schilling; BF - Belgian Franc; CS - Canadian Dollar; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Franc; Ft - Dutch Guilder; Lf - Italian Lira; Lf - Luxembourg Franc; p - penny; Ps - Peseta; S\$ - Singapore Dollar; Sfr - Swiss Franc; Y - Yen; Z - Zairean Dollar; N.A. - Not Available; N.C. - Not Commercialized; N - New; S - suspended; S/S - Stock Split; E - Ex-Gratia; E-Res - Offer Price incl. 7% premium charge; - Paris exchange; - Amsterdam exchange; * - misquoted earlier; av - registered with regulatory authority; P - Middle of bid and offered price.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

Super Shares II? Murdoch Denies Talk of New Plan

Compiled by Our Staff From Dispatches
SYDNEY — Rupert Murdoch, chairman and chief executive of News Corp., denied Friday what he called "speculation" that he planned to formulate a revised "super-share" proposal for the media giant.

The chairman also said that recent comments and reports that the company had been negotiating with multinational telecommunications companies to take an equity stake in News Corp. were false.

Mr. Murdoch's statement came amid a flurry of speculation following News Corp.'s announcement this week that it decided to withdraw its controversial proposal to create a new class of shares with super voting rights.

The chairman told shareholders at the annual general meeting in October that the company was seeking the new class of shares to maintain current shareholder control of the company if it seeks a major new equity partner in the telecommunications industry.

"On Wednesday, the company announced that it had decided to withdraw the proposal from the Australian Stock Exchange be-

Daewoo Focuses on Cars Hands-On Chairman to Revamp Unit

SEOUL — The founder and chairman of Daewoo Group is heading for the suburbs in a bid to convert the car division of his sprawling conglomerate into its leading specialty.

The chairman, Kim Woo Chong, said he was personally taking charge of a project to streamline and restructure Daewoo Motor Co., the group's unlisted car-building subsidiary.

"I will personally take charge of the project and will move to Incheon City for one year," Mr. Kim said during a recent visit to the western port city, the focal point of Daewoo's car production.

A group spokesman said Mr. Kim was expected to move there early next year after a round of foreign business trips.

"Decision-making will occur on location," Mr. Kim said, signaling a departure from the normal style of centralized management common to South Korea's chaebol, or diversified conglomerates, in which affiliates compete for internal resources.

Mr. Kim's move is in line with government calls for the unwieldy chaebol to streamline their businesses and concentrate on core sectors.

It is also the strongest indication to date that Daewoo has chosen the car industry as one of its preferred fields of specialization.

Daewoo is involved in a multitude of other activities, including shipbuilding, electronics and electrical appliances, trading and financial services, but days of the chaebol's unmitigated business spread are numbered.

The government, worried that some conglomerates are overextended, recently said it would implement a plan to encourage the 30 top chaebol to specialize starting next year.

The Trade Ministry said the top 10 conglomer-

U.S. Warns Tokyo on Software Copyrights

TOKYO — A senior U.S. official Friday criticized a proposal under study by Japanese officials that would limit the scope of software copyrights, saying it could lead to unfair software copying.

The proposal is being considered by a committee advising the head of the Agency of Cultural Affairs, which supervises copyrights.

The U.S. official, who spoke on condition she not be identified, said the result of the possible Japanese change would be to "severely curtail" the rights of software makers. She said Washington views the issue with the "gravest concern."

One group of major U.S. computer and software firms, including International Business Machines Corp. and Apple Computer Inc., fear the committee might propose a law that would permit "decompilation" — the equivalent of taking apart another company's television set to figure out how they built it.

Decompilation would allow someone to look at the code of a computer program without being prosecuted for a copyright violation. By rewriting that code to prevent a charge of outright copying, a software maker could virtually duplicate another company's software without breaking the law, said Mac Jeffery, a spokesman for IBM.

But Steve Clayton, a lawyer in Tokyo for the American computer company Sun Microsystems Inc., said decompilation is simply a process that is already permitted in Europe and has been upheld by courts in the United States.

Sun is part of another faction of American computer firms that supports the Japanese panel's reported direction. They believe it would make it easier for software makers to produce programs that could supplement and be compatible with existing programs.

Investor's Asia

Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,228.10	9,990.26	+2.38
Singapore	Straits Times	2,220.40	2,168.32	+2.50
Sydney	All Ordinaries	2,084.90	2,095.70	-0.52
Tokyo	Nikkei 225	17,257.43	17,061.81	+1.15
Kuala Lumpur	Composite	1,075.85	1,067.34	+0.80
Bangkok	SET	Closed	1,480.63	
Seoul	Composite Stock	861.72	843.85	+2.11
Taipei	Weighted Price	4,844.03	4,880.26	-0.77
Manila	Composite	2,513.29	2,510.62	+0.11
Jakarta	Stock Index	528.46	525.32	+0.60
New Zealand	NZSE-40	2,103.97	2,108.53	-0.22
Bombay	National Index	1,632.18	1,604.18	+1.74

Source: Reuters, AFP
International Herald Tribune

The move is in line with government calls for conglomerates to concentrate on core sectors.

Very briefly:

- Vietnam said it would allow local joint-stock finance companies and commercial banks to raise as much as 30 percent of their capital from foreign shareholders and would allow overseas Vietnamese individuals and companies to buy, transfer and inherit shares.
- India sold a 45 percent stake of its Industrial Finance Corp. on the stock market for 5.25 billion rupees (\$169.2 million), the first of a series of planned privatization sales in its banking sector.
- Porsche AG plans to set up a servicing network in India and later will seek to increase sales to take advantage of the opening of the Indian market. There are only about 25 Porsches registered in India now.
- Indonesian banks' bad debts at the end of September amounted to 3.3 percent of their 169.47 trillion rupiah (\$80.6 billion) in outstanding credits, the Jakarta Post said, quoting the central bank governor; that was up from an earlier estimate of 2.8 percent.
- South Korean, French and U.S. companies are among 187 construction concerns invited to bid on a Japanese project to build and operate the nation's largest distribution center, at Yokohama port.
- China will tighten controls over foreign automakers' imports of components for local assembly in a move to protect its own car industry, the China Daily newspaper said.

Warburg Introduces Vietnam Derivative

HONG KONG — S.G. Warburg Securities (Far East) Ltd. introduced Friday the first derivative product to attract investors to tap Vietnam's growth prospects.

It said its Indochina Warrent, a call option in a basket of stocks in seven foreign companies doing business in Vietnam, would trade on the Luxembourg stock exchange.

Nippon Steel Considers a Plant in China

TOKYO — Badly in need of new high-growth markets, Nippon Steel Corp., the world's largest steelmaker, is looking into setting up a joint-venture steel plant in China.

Nippon Steel is considering setting up an electric furnace operation with an unnamed steelmaker in China's central Jiangsu Province, a company official said. A project study will be completed early next year.

A leading trading house, Mitsui & Co., will also take part in the project, the official said. Further details won't be available until the study is completed.

Analysts said Nippon Steel needs to get involved quickly in markets that offer fast growth potential, and a move toward production in China would be a good first step.

"Nippon Steel needs to find somewhere to grow, and must ensure that growth follows new investments," said Stephen Wolfe, analyst at Baring Securities (Japan) Ltd.

With a construction boom fueling enormous demand for steel, China offers a market of vast potential for growth. With its abundant supply of cheap labor, the joint venture could serve as base for exports to other growing Southeast Asian markets.

Analysts said Nippon Steel and the other Big Five Japanese steelmakers need some fast-growing markets to help balance sheets. Falling demand for steel at home and in major overseas markets, plus the appreciation of the yen, added up to huge losses for the five in the first half of the current financial year.

If the joint venture goes ahead, Nippon Steel would be the first Japanese steelmaker to set up an electric furnace in China.

TOKYO: GNP Expands, but Pessimism Is Unshaken

Continued from Page 11

ing the rice market, would be able to fashion a meaningful economic policy response.

Mr. Hosokawa's headaches were evident on Friday when Tomiichi Murayama, chairman of the Social Democratic Party that is the largest group in the coalition, urged the prime minister to maintain Japan's ban on rice imports.

"These members will help Mr. Hosokawa a bit, although he cannot claim any credit," Mr. Sasaki-Smith said.

That could reduce the sale of income tax cuts that are expected to be announced next week. The reductions are likely to fall several trillion yen short of the high-end estimates of 10 trillion yen.

The GNP numbers could also delay further easing by the Bank of Japan, which many believe is preparing to trim the official discount rate from the current historic low of 1.75 percent. "The GNP numbers will hinder the Bank of Japan from cutting the discount rate," Toshiaki Kitahara, a market analyst at Okasan Securities, told Reuters.

The pessimistic view was underscored Friday in the *Tanikan* survey by the Bank of Japan that showed business confidence had hit its lowest level since the oil shock in the mid-1970s. The quarterly survey, also foreshadowed further job cuts, sharply reduced expectations for recurring profits, and scaled-back capital spending plans.

"The November *Tanikan* leaves no room for private-sector or public-sector complacency," said Jesper Koll, economist at S.G. Warburg.

The survey's key indicator, the diffusion index for manufacturing firms, fell to minus 56 in November, from minus 51 in August. The index compares the number of companies expecting business to improve to those expecting it to worsen. Its all-time low was minus 57 in February 1976.

While the number of companies reporting excess labor increased, Kagehide Kaku, director of the bank's research and statistics department, said companies were not planning "drastic labor cutbacks." Japan's unemployment rate, now 2.7 percent, will rise to 3.2 percent by next summer, Mr. Koll said.

CHINA: Economy Reheats

Continued from Page 11

try faces serious unemployment as large state industries slash bloated urban work forces just as more farmers leave the countryside for the cities, Reuters reported from Beijing.

Mr. Li said new urban unemployment during the first nine months of 1993 had reached 850,000, more than at any time over the past six years.

Beijing lacks meaningful employment statistics for China's 1.2 billion people, in part because many cases of joblessness are masked by official euphemisms such as "youth waiting for work."

Nevertheless, the rising number of urban residents without jobs has clearly alarmed the leadership.

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100.00	80.00	IBM	4.00	4.00	15.00	100.00	80.00	IBM	4.00	4.00	15.00
120.00	100.00	Microsoft	0.00	0.00	20.00	120.00	100.00	Microsoft	0.00	0.00	20.00
50.00	40.00	Apple	0.00	0.00	10.00	50.00	40.00	Apple	0.00	0.00	10.00
30.00	20.00	Oracle	0.00	0.00	15.00	30.00	20.00	Oracle	0.00	0.00	15.00
20.00	15.00	Amazon	0.00	0.00	12.00	20.00	15.00	Amazon	0.00	0.00	12.00
15.00	10.00	Google	0.00	0.00	18.00	15.00	10.00	Google	0.00	0.00	18.00
10.00	8.00	Yahoo	0.00	0.00	14.00	10.00	8.00	Yahoo	0.00	0.00	14.00
8.00	6.00	Alibaba	0.00	0.00	16.00	8.00	6.00	Alibaba	0.00	0.00	16.00
6.00	4.00	Netflix	0.00	0.00	13.00	6.00	4.00	Netflix	0.00	0.00	13.00
4.00	3.00	LinkedIn	0.00	0.00	11.00	4.00	3.00	LinkedIn	0.00	0.00	11.00
3.00	2.00	Twitter	0.00	0.00	9.00	3.00	2.00	Twitter	0.00	0.00	9.00
2.00	1.50	Facebook	0.00	0.00	8.00	2.00	1.50	Facebook	0.00	0.00	8.00
1.50	1.00	Spotify	0.00	0.00	7.00	1.50	1.00	Spotify	0.00	0.00	7.00
1.00	0.80	Dropbox	0.00	0.00	6.00	1.00	0.80	Dropbox	0.00	0.00	6.00
0.80	0.60	Slack	0.00	0.00	5.00	0.80	0.60	Slack	0.00	0.00	5.00
0.60	0.40	Zoom	0.00	0.00	4.00	0.60	0.40	Zoom	0.00	0.00	4.00
0.40	0.30	Zoom	0.00	0.00	3.00	0.40	0.30	Zoom	0.00	0.00	3.00
0.30	0.20	Zoom	0.00	0.00	2.00	0.30	0.20	Zoom	0.00	0.00	2.00
0.20	0.15	Zoom	0.00	0.00	1.50	0.20	0.15	Zoom	0.00	0.00	1.50
0.15	0.10	Zoom	0.00	0.00	1.00	0.15	0.10	Zoom	0.00	0.00	1.00
0.10	0.08	Zoom	0.00	0.00	0.80	0.10	0.08	Zoom	0.00	0.00	0.80
0.08	0.06	Zoom	0.00	0.00	0.60	0.08	0.06	Zoom	0.00	0.00	0.60
0.06	0.04	Zoom	0.00	0.00	0.40	0.06	0.04	Zoom	0.00	0.00	0.40
0.04	0.03	Zoom	0.00	0.00	0.30	0.04	0.03	Zoom	0.00	0.00	0.30
0.03	0.02	Zoom	0.00	0.00	0.20	0.03	0.02	Zoom	0.00	0.00	0.20
0.02	0.01	Zoom	0.00	0.00	0.15	0.02	0.01	Zoom	0.00	0.00	0.15
0.01	0.01	Zoom	0.00	0.00	0.10	0.01	0.01	Zoom	0.00	0.00	0.10

THE MONEY REPORT

FIRST COLUMN

GATTology And the Art Of the Guess

KREMLINOLOGY is dead, but its spirit lives on. If you require confirmation of that, look at the reporting of the negotiations leading up to what will undoubtedly be a successful conclusion of the General Agreement on Tariffs and Trade next week.

The events leading up to the deal have produced a mismatch between public pronouncements of rigidly entrenched positions and private diplomatic maneuverings of Nijski-like flexibility. This column thinks the deal is done, as do the world's financial markets.

But what a mass of dissimulation have the media had to sift through. The external signs from Geneva and Brussels have been on a par with detecting behavioral nuances in the grim lineup of geriatrics for the military parades in Red Square.

Throughout the final stages of the negotiations, we have had to guess at the realpolitik of the situation from a combination of terse communiqués and the bellicose ruses of certain politicians beating the chauvinistic drum for their domestic audiences.

THE modifications to the deal have more symbolic than economic importance — as do the sectors of the economies over which the arguments have (officially) raged. It is easy to lose sight of the fact that agreement is made between many countries, not just Europe and the United States. What we have witnessed recently is the sorting through of detail, the massaging of egos. The conclusion of the deal will bring something real: a long-overdue boost to trade on a global scale.

But because the markets have already factored a successfully concluded agreement into their present prices, there will be no dramatic market changes on the signing of the deal. If, however, a significant hitch occurs, there might just be enough pessimism around to spark a minor panic.

And, of course, it's surprising how much gasoline can be ignited by just one little spark.

M.B.

Auto Stocks Gleam Through the Gloom

By Aline Sullivan

THE eleventh-hour breakdown of merger plans between Renault of France and Volvo of Sweden at the beginning of this month prompted reams of press commentary on the depressed condition of the European automobile industry. But many industry analysts argue that the recession is now bottoming out, and auto stocks are poised for an upswing.

Investors should buy shares in European auto manufacturers now or in the next few months, the analysts said. All the gloom is obscuring the market's potential, and big cost cuts and curtailed production now should mean healthy profits within a few years.

Auto stocks soared earlier this year as investors anticipated the effects of lower industry rates and Europe's recovery from recession. But the recovery has so far failed to materialize and auto stocks have slumped once again. Analysts point out that there is now plenty of room for share values to appreciate.

"As sure as night follows day, things are going to get better," said Keith Hayes, auto analyst at Merrill Lynch in London. "There may be some consolidation in the next few months, but shares will go up again. Few of the stocks are anywhere near their historic highs."

Dagmar Bottenbruch, auto analyst at Crédit Suisse First Boston in Milan, expects the European carmakers to recover in the next two years, although substantial sales growth may be some time away. She is advising clients to buy shares in companies like Germany's Volkswagen and Italy's Fiat with exposure to Eastern Europe. Southeast Asia and other emerging markets likely to generate strong sales in next few years. She is less keen on France's Peugeot, which has focused on the European market.

Not everyone is so cheery about the industry. Bob Barber, automotive analyst at James

The Europeans may benefit from consolidation, either through production and marketing agreements or mergers.

Capel & Co. in London, is advising clients to avoid European automotive stocks until the beginning of 1995.

"Sales will be down about 15 percent this

year and flat next year," said Mr. Barber. "We should start to see a recovery in 1995 but it will be gradual. The industry won't make up its losses for a number of years and it is unrealistic to expect sales in other countries to replace losses in Europe."

According to Mr. Barber, the current state of the European auto industry closely resembles that of the United States about a decade ago. Companies are being forced to make savage cost cuts but oversupply is likely to stay a problem for years, he said. The Japanese manufacturers are on target to raise their market share in Europe to about 16.5 percent by 1999 from the current 12 percent. Sales growth over the same period will be minimal or stagnant.

Like their U.S. counterparts a decade ago, European manufacturers need to review their models and marketing, and streamline their production processes, said Mr. Barber. "The European industry needs to adjust to a period of nongrowth," he said. "We will only get the benefits of cost cuts when we move away from oversupply."

Companies are getting the message. Volkswagen of Germany, Europe's biggest car manufacturer, plans to cut its wage costs by 20 percent through the introduction of a four-day working week in its German plants next year. Its Audi subsidiary wants to implement flexible hours and production-free periods after cutting 4,000 jobs this year. And SEAT, Volkswagen's Spanish subsidiary, is cutting 9,000 jobs, or 40 percent of its payroll.

Other companies, including Germany's Daimler-Benz and Fiat, are also making big cuts, but analysts say slimming down will bring most benefits to Volkswagen. "The latter has the most weight to lose," said Ms. Bottenbruch of Crédit Suisse. She said Volkswagen's restructuring plans make it attractive for investors now.

Philip Ayton, auto analyst at Barclays de Zoete Wedd in London, is also advising clients to buy Volkswagen shares. "It has the biggest potential for recovery," he said. "If the company can control costs over the next few years, it should show the biggest share price gains."

Mr. Ayton also foresees improved earnings for the other major automakers, particularly Peugeot and Germany's BMW. "Shares in some companies may be slightly overvalued now but the longer-term potential is interesting as the companies address their capacity and manning problems," he said. "The revenue line is not rising, so companies are attacking costs. That will work through by 1995, when the bottom line should look reasonable."

Longer term, the European carmakers may benefit from consolidation, either

through production and marketing agreements or mergers. Fiat shares were volatile earlier this year on rumors that the company could be taken over, although nothing has come of the company's alliance talks. Chairman Gianni Agnelli said in October that he expects further consolidation in the industry.

But the collapse of the proposed Renault-Volvo merger illustrated the difficulties of combining companies with strong national identities. Analysts point out that apart from Volvo, which is unlikely to merge with another company after its shareholders rejected the merger with Renault, the automakers in Europe are now all roughly of the same size, making mergers unlikely in the near future.

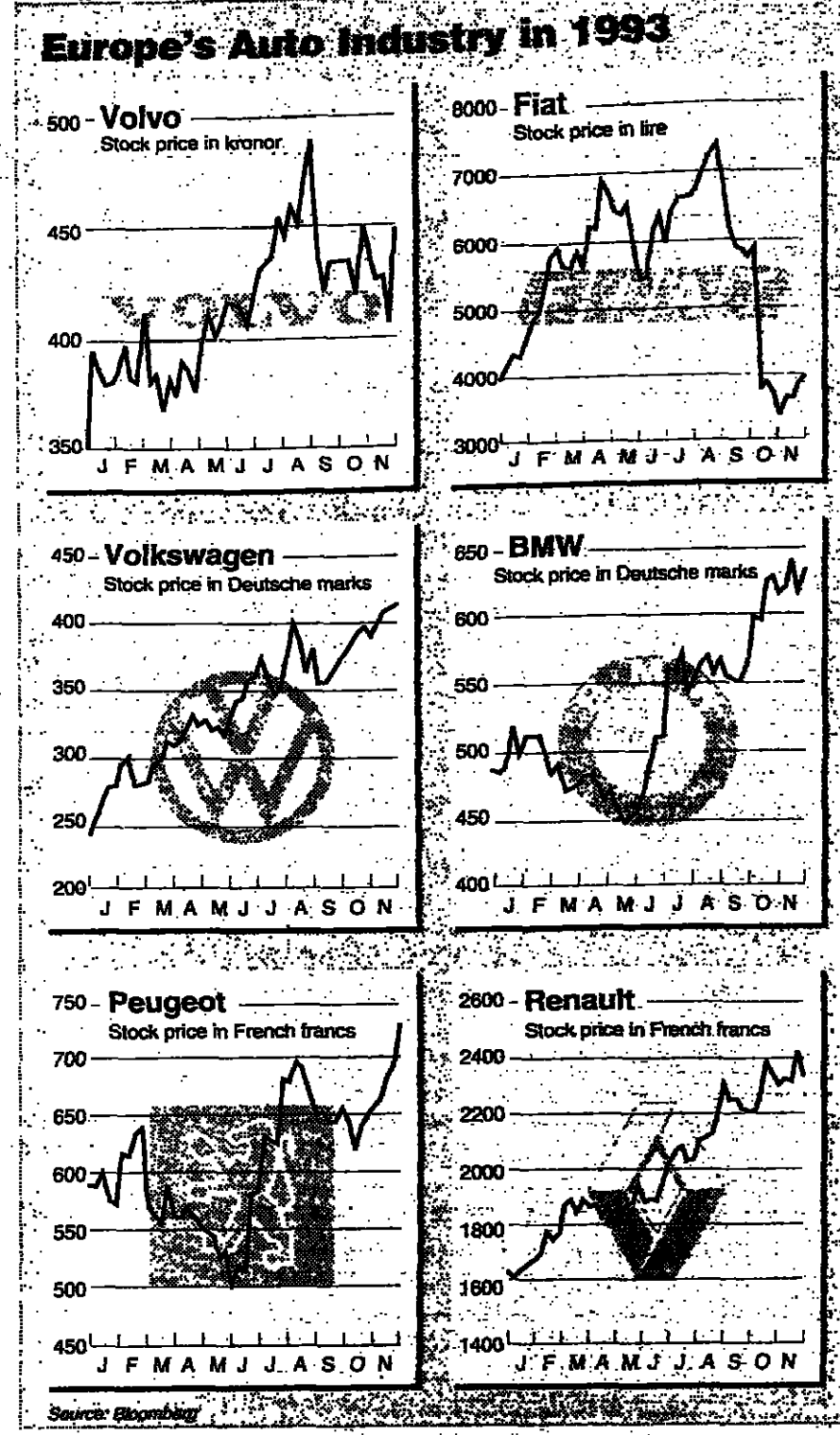
"Volvo was unusual in that it was a small company," said Mr. Barber. "The others all have about 12 percent of the market. Any two together would mean more than 20 percent of the whole European market. Even if it could be arranged, the [EC Commission] competition authorities would probably object."

So, investors should not set too much store by bid speculation. But bargains are still to be found. According to Keith Hayes at Merrill Lynch, investors should take their chances now and sell before the market turns down again in five years or so.

"The crunch will come during the next downturn," he said. "The companies won't go into the next downturn with strong balance sheets like they had from the 1980s. And the European market will be entirely open to the Japanese. The potential is scary."

International Intermediaries

- Page 17 Foreign exchange at street level, and how travelers fare.
- Page 18 Best discount broker rates.
- Page 19 Picking an adviser, regulating intermediaries; top bank deposits.



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THE MONEY REPORT

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Banks	N. S. BCI (P)	CCF (F), BS (S), Commerzbank (G)	Soc. Gen. (F)	93
Fees	\$7.5	\$9-\$18	Info not yet available	Charges set by banks
				Barclays: \$23

Transferring Small Sums Looks Risky and Costly

By Barbara Wall

TRANSFERRING small sums of money across borders is slow, prohibitively expensive and unreliable, according to BEUC, the European Consumer's Association. In a survey of 160 European banks, BEUC found the average transfer time for sending approximately \$150 from one EC country to another is six to eight days, and the cost, once bank commissions are added, is equivalent to 14 percent of the transfer value.

Moreover, the survey found that customers have little or no redress if payments are lost in the system. In the transfer exercise, three payments disappeared without trace and the banks concerned denied responsibility for the losses.

Only Eurocheque emerged relatively unscathed from the report. BEUC concluded that Eurocheques are a convenient and cost-efficient method for sending small amounts of money, up to the Eurocheque clearing limit. But it added that Eurocheques were not designed for remote payment, and if a check was intercepted in the post, the originator's right to redress might be limited.

Alarmed by the BEUC report, which was published in Autumn 1992, the EC Commission has since completed its own study. The results, published last August, show that little has changed in the intervening period. The commission tested 1,000 transfers of approximately \$100. Some 70 percent of the bank agencies contacted did not provide any written information on their money transfer ser-

vice, and the average cost was equivalent to 20 percent of the transfer value compared with just 1 percent for domestic transfers.

"Traditional methods used for transferring money overseas are designed for corporate clients," according to an industry spokesman. "Most banks admit that there is a problem with low-value transactions, but the demand is simply not strong enough to justify changing current systems in favor of individual clients."

Nonetheless, several banks have already responded to the challenge and developed their own international networks.

Royal Bank of Scotland was one of the first to set up a service for low-value money transfers. Introduced in 1991, IBOS, or interbank on-line system, is an instant money transfer system that allows individuals and small businesses to transfer money between 800 Royal Bank branches in Britain, 1,200 Banco Santander branches in Spain, 180 Crédit Commercial de France branches in France and 90 Banco de Comercio e Industria branches in Portugal.

"We were keen to develop a sensible strategy for Europe," said a company spokesman. "By electronically merging the Royal Bank network with partner banks in Europe, it will be as if all customer accounts are on the same computer system. Funds are transferred immediately and customers will know up-front the total cost of the transaction as costs have been agreed between the Royal Bank and its partners."

The Tiba-Net system, set up by the Cooperative bank and partner banks in France, Germany, Bel-

gium, Italy and Canada, offers a similar low-cost service for individuals. It is unable to offer instantaneous transfers, but the banks involved in the plan guarantee transfers within a specified time period for a flat fee of \$7.55. If you do not have an account with the banks concerned, you are advised to allow an extra four days, beyond the time limit specified, for delivery of the funds.

National Westminster Bank in

Some 70 percent of the bank agencies contacted did not provide any written information on their money transfer services, and the average cost was equivalent to 20 percent of the transfer value compared with just 1 percent for domestic transfers.

the United Kingdom is also working on a cross-border payments plan for low-value transfers. In July, it announced separate bilateral agreements with Commerzbank in Germany and Societe Generale in France. The service, which is available to account holders, is due to be launched early next year.

Although pricing has not yet been agreed upon, a bank spokesman said that fees will be substantially lower than those currently levied on foreign currency drafts. Bank charges for foreign currency drafts range from \$15 to \$75 depending on the bank and the sum transferred.

These programs have filled a gap in the market, but geographical restrictions may ultimately blunt their competitive edge. Credit card companies and nonbank institutions, for example, are also looking at ways of offering a more comprehensive money transfer service to international clients.

Visa International plans to launch a cross-border payment system that will allow individuals and businesses to transfer and receive

money between member banks of the Visa network. "Visa account holders can use their cards to pay for goods and services in most countries," said Jon Pridoux, international money transfer manager for Visa. "The next logical step is to introduce a system which allows customers to make and receive cross-border payments. Although international payments represent a tiny fraction of all bank transactions, they are increasing at a higher rate than domestic payments."

The Visa Transfer System is due to go live in Europe at the beginning of next year. Mr. Pridoux

said it would be cheaper than other money transfer systems, but he was unable to comment on the actual cost to the cardholder as member banks will set their own charges and currency exchange rates. He did, however, stress that the new system will guarantee a safe transfer of money within four to five days and charges will be clearly outlined in Visa statements.

FOR money transfers outside Europe, individuals may be hard pressed to find comparable services. Instantaneous transfers can be arranged through American Express "Moneygrams," available at 12,000 locations in 60 countries. However, the charges are fairly steep for low-value transactions. Calculated on a sliding scale, the fee for transfers of between \$100 and \$300 works out at about \$35; a transfer of between \$1,000 to \$2,500 will set you back \$95, and \$150 is the set fee for transfers of between \$5,000 to \$7,500. The maximum amount that can be transferred via a "Moneygram" is \$10,000.

Funds can be retrieved by the recipient in cash, traveler's checks or transfer checks subject to local restrictions, the main drawback being that the funds received will be in American dollars. If the recipient requires another currency, funds will have to be changed at a local exchange bureau.

If you are prepared to wait a few days for delivery, an Amex money transfer order is by far the cheapest option. With this system, money can be sent through the post for a flat fee of \$2. Here the currency is restricted to American and Canadian dollars.

Take Notes: It Can Be Costly If You Leave Without Them

By Joshua Shapiro

GOING overseas requires lots of careful planning: Passports, visas, shots, tickets, reservations, itineraries, clothing for each occasion and climate. Too often missing from the to do list is bringing foreign currency—a costly omission.

Taking an AT&T, Chemical Bank, or MBNA Visa card might be the best bet for purchasing foreign goods and services. The retail rates at an airport currency exchange booths like the popular "Checkpoint" are always highly unfavorable to the tourist.

Depending on the currency, the amount of currency being exchanged, and the commissions and surcharges, as much as a third of the value of the dollars being exchanged may be lost. Coming on top of the trend towards a weakened dollar, this can be an unpleasant beginning to a vacation or business trip.

U.S. residents going abroad have an edge. Their credit cards provide an economical alternative. Unlike commercial money changers that give retail rates for buying and selling currencies, credit card companies use wholesale interbank rates usually reserved for foreign exchange transactions exceeding a million dollars.

U.S. card providers like Visa, MasterCard, American Express, or Diners Club each add a one percent commission on purchases, but this premium is low compared to paying in cash bought at retail rates from a Cambio, Change, Wechsel, or bank. Visa or MasterCard accounts offered by banks in Canada, Europe, and Japan typically charge several percent commissions. The actual amount of this charge must be disclosed in the fine print of the cardholder agreement.

During times of currency rate flux, it is important to note that the conversion rate in effect on the day of the card purchase is not generally the one that will be used in preparing the monthly statement. The rate applied is the one on the date when the merchant submits their receipts to the card network for payment. This is termed the "clearing date." The customer is given the "posting date" which is when the purchase is charged to their account. This is generally the same as, but may be sometimes later than, the clearing date.

For some large urban merchants,

that submit their bills electronically to MasterCard or American Express, the clearing date might even be the same day as the sale. But for most merchants, this would be several days later. For shops in outlying areas, clearing paper receipts might take longer than a week.

When the value of the dollar is stable, the time to clear the charge only has the effect on which billing cycle the charge will appear. But when the value of the dollar is strengthening, the longer the time to post the charges, the better for the purchaser, for it results in lower dollar charges on the monthly statement.

Likewise, when the dollar is drastically falling, it is much better

Each card provider sets their exchange rates using a variety of different sources, creating the potential for differences between cards.

for the consumer if the merchant clears his receipts daily. In either case, customers have the advantage of having the use of their money until after the next card statement due date.

Each card provider sets their exchange rates using a variety of different sources, creating the potential for differences between cards. Several sources might even be blended to come up with a rate, making it impossible for a consumer to know what rate will be used.

Although providers claim to have, in general, over time comparable and competitive rates, a careful detailed check of rates of four major world currencies (U.K. pound, German mark, French franc, Japanese yen) during a full two months (May and June 1993) in effect at Visa and MasterCard (American Express refused to cooperate with this survey) indicates that Visa typically offered slightly more favorable rates, particularly for Japanese yen.

Looking at less exact data from the last three weeks in June, American Express consistently offered

less favorable rates than either Visa or MasterCard.

Besides using different sources for rates, banks report different transaction information on monthly customer statements. Having access to all the information, makes reconciling foreign-denominated receipts to dollars much easier. Of the major card issuers, Chemical Bank, MBNA America, and AT&T Universal Card provide the most comprehensive reporting.

So, except in the special case of a rapidly falling dollar, the consumer's most economical strategy is to charge as many overseas expenses as possible and settle the credit card bill immediately. For the miscellaneous items like cabfare and tips that are generally paid in cash, generally the least expensive way to buy foreign currency is using either a bank card against a U.S. checking account or a debit card at an automated teller machine in each foreign country.

DIFFERENT issuers also provide various different card services overseas. MasterCard has recently made special arrangements for cardholders with 1,600 Thomas Cook offices that can, for example, change airline reservations.

American Express has for years had its own travel offices that provide cardholder services such as providing a maidrop. AT&T and MBNA both accept collect calls from cardholders overseas. Interest on the balance due and the annual card fees vary by card issuers. Recently, AT&T offered the lower interest rates and annual fees.

Some industry observers regard the way credit card companies do business as being somewhat clubby: "The fact some card companies bother to provide the exchange rate on their client statements and others don't, hardly speaks well for the efficacy of market forces," said one London-based analyst.

"The main battle is being fought with travelers checks—even though some of the card companies provide this service too."

Ultimately, the card companies will start drawing consumers' attention to factors like exchange rates and settlement processes when travelers checks have gone the way of the dinosaur. Until then, there's a quasi-cartel in operation. And that will continue, unless some consumer organization starts getting excited about the situation."



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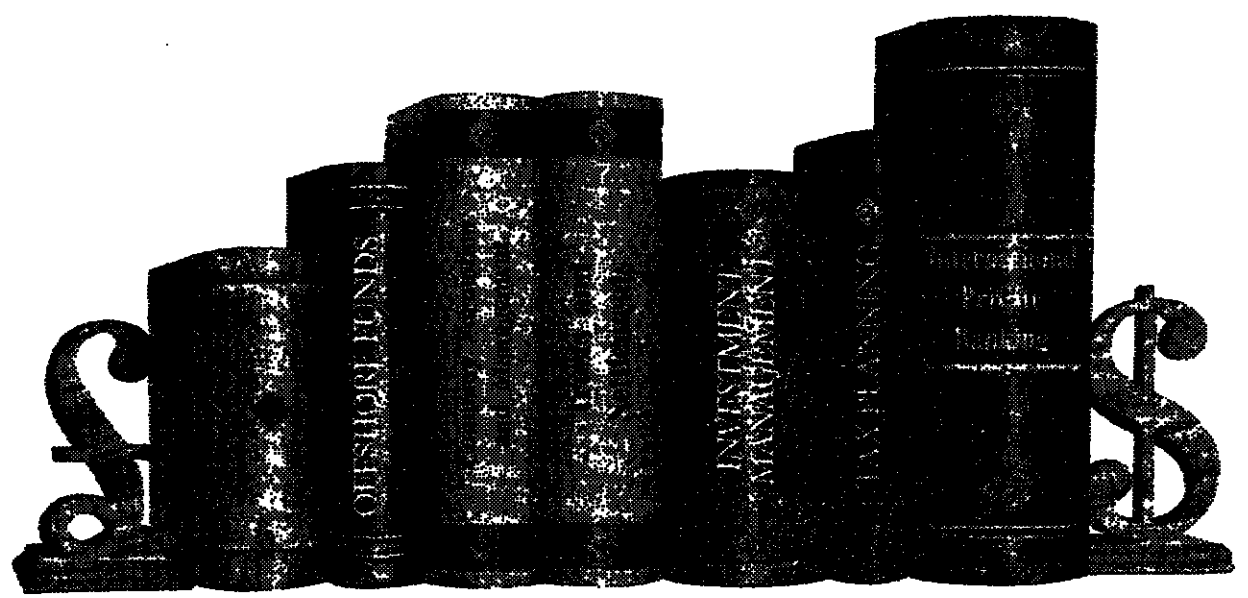
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THE MONEY REPORT

Discount Brokers Tap World's Craving for Stocks

By Baie Netzer

EUROPE'S rush to privatize state-owned companies has brought a flood of new interest in stocks from individual investors around the world. As a result, American and British "discount" brokers are racing to win the business of international investors who want to buy and sell securities as cheaply as possible. Some discounters are even offering special services for international clients.

On average, discount brokers charge their customers commissions that are 50 percent lower than commissions for "full-service" brokers, according to Mark Coler, editor of a discount brokerage directory published by Mercer Inc. in New York. But while full-service brokers work one-on-one with clients and provide a range of investment advice, discount brokerage clients must generally pay extra for research reports and often buy and sell stocks over the telephone or via a computer program.

Two of the largest American discount brokers, Charles Schwab and Fidelity, have already opened offices in London to serve U.S. expatriates as well as non-U.S. citizens. Both companies offer toll-free telephone lines from a number of

countries. However, Charles Schwab deals only in U.S. securities while Fidelity will trade stocks from around the world.

"We initially thought of our London office as a place to serve U.S. expatriates," says Tom Taggart, spokesman for Charles Schwab. "But we've found that a major part of our business now comes from non-U.S. citizens who want to trade in American stocks."

In addition, a number of British

investors to trade in 52 different British company stocks for a minimum commission of £15 (\$23).

Investors searching for the discount broker that best suits their needs must first consider what they plan to buy, how much information and personal contact with a broker they need, and what conveniences they are willing to pay extra for. Any of the American discount brokers can deal in U.S. equities; however, not all will offer trading in worldwide markets.

Research reports usually cost extra. Charles Schwab, for instance, charges \$6.75 to mail a research report and \$13 to fax it. Many of the so-called "deep discount" brokers do not provide any research at all.

For clients of U.S. discount brokers, computer trading may provide the best deal of all. While there are usually initial charges for the software and a per-minute charge for the amount of time a user spends on line, most discounters cut their commissions for computer trading. Charles Schwab takes 10 percent off its commissions for investors who trade using its "Equalizer" program, while Pacific Brokerage charges only 2 cents per share in commission for trades executed via computer.

"About 10 percent of our computer trading is generated by U.S.

expats," said Lesley Zuka, spokesman for Quick & Reilly. The company says most of the international computer trades originate in Germany, Saudi Arabia, Japan and Guam.

Investors should also ask about annual "maintenance" fees when opening an account. Fidelity charges its London customers a \$50 maintenance fee. However, most deep discount brokers who do not offer conveniences such as check writing or 24-hour service will not charge an annual fee.

Few expatriate investors look carefully enough into the costs of investing, according to one Paris-based accountant with a client base of many U.S. nationals: "I think it's a function of convenience," he said. "With the distance and the difference in time zones, many of my clients are just happy to have a voice they're comfortable with on the other end of the phone."

He ascribes this "partial blindness" to the cost of securities dealing to an attitudinal problem: "There's a different set of expectations attached to investing money for gain and saving tax. People see investing as a speculative business, and don't worry too much about the cost of playing with their assets. Whereas when they're trying to minimize liabilities, no cost is too trivial to query."

Investors who simply want to trade stocks or bonds as cheaply as possible may find the lowest commissions at so-called "deep-discounters" in the United States.

Indeed, U.S. customers now account for only 50 percent of Schwab's U.K. client base, down from 80 percent when the office opened last February.

While Charles Schwab and Fidelity can offer customers extra conveniences such as check writing and low-cost mutual funds, investors who simply want to trade stocks or bonds as cheaply as possible may find the lowest commissions at so-called "deep-discounters" in the United States. These

banks and stockbrokers offer "execution only" trading at lower-than-average commission charges. For instance, ShareLink, Europe's largest discount brokerage, recently added trading in U.S. equities to its existing business in U.K. stocks.

At Barclays Bank, spokeswoman Di Skidmore says advertising for British privatizations has brought a wave of first-time investors into their offices. To accommodate these customers, Barclays' "Share Shop Dealing Service" allows in-

November Market Scoreboard

Best Performers

Price November 30 % change

New York Stock Exchange:

Stone Container	10.88	52.6%
US Healthcare Common	57.88	24.9%
Winn-Dixie Stores	5.88	24.8%
US Clubshare	23.63	23.5%
Temple Inland	50.63	19.1%
Amstar	5.50	18.9%
CA Industries	30.63	17.8%
IBM	53.88	17.1%
McDonnell Douglas	109.13	16.4%
Lone Star Industries	1.88	15.4%

Worst Performers

Price November 30 % change

Onyx Energy	18.83	-22.0%
Smith International	8.00	-20.2%
Medical Care America	20.00	-19.6%
Meadow Energy	5.38	-18.9%
Coors (Adolph B)	17.38	-18.8%
Wachovia Corp	20.00	-16.7%
Cincinnati Milacron	32.13	-16.0%
Phone-Poulsen Florer	38.00	-15.6%
Sunamerica Common	39.50	-15.2%
MCI Communications	24.58	-14.5%

Frankfurt Stock Exchange:

Verein Bank Westfalen B	325.00	18.9%
Asko Di Kauhaus Stamm	1090.00	16.0%
Gehe	485.00	14.8%
Rheinmetall	230.00	14.4%
Asko Di Kauhaus Vorzug	230.00	13.6%
Spangier (Azel) Namon	670.00	12.9%
Altera	510.00	12.8%
Metallgesellschaft	364.50	11.0%
Pharmaktra	1240.00	9.8%

Paris Stock Exchange:

Chemins Français Ord A	218.50	25.9%
Esso International	703.00	11.2%
Bel	151.00	10.4%
Cap Gemini Sogefi	178.00	7.8%
Pugnot Sa	703.00	7.5%
Unibel	560.00	7.5%
Pechiney Ceri Inv	280.00	6.9%
Schweizer (Ex-Sp)	390.60	6.8%
Entreprise Jean LeFebvre	1250.00	6.8%
Skis Rossignol	1915.00	6.4%

London Stock Exchange:

Fareast International	0.020	33.3%
Rolls-Royce	1.735	13.8%
Wills Carron Group	2.380	12.3%
Greycoat	0.295	11.3%
British Airways	4.200	11.1%
Merley	1.760	10.7%
Argo Viggins Appleton	2.490	10.7%
RMC Group	8.860	10.1%
Cardo (MS Caradon)	3.820	10.0%
Forte	2.430	10.0%

Tokyo Stock Exchange:

Matsushita-Kobushi Elec	2250.00	3.5%
Isehan	1840.00	3.4%
Suzuki Motor	960.00	2.2%
Izumiya	1820.00	0.9%
Sanyo	2000.00	0.5%
Dai	1360.00	0.0%
Kyushu Electric Power	2760.00	-1.1%
Osamura	830.00	-1.1%
Tomon	1570.00	-1.3%
Shikoku Electric Power	2800.00	-1.8%

Euro Dysney:

Linotype-Hell	317.20	-10.9%
Munchener Ruck Inh	9150.00	-8.9%
Dackel (Friedrich)Wag	103.00	-7.6%
Zandere Startm	194.00	-7.6%
Kobenschmidt	171.00	-7.6%
Victoria Holding	1760.00	-7.4%
Ellinger + Berger	640.00	-7.2%
Melro	103.00	-7.2%
Metallgesellschaft	374.80	-6.9%
Preussag	418.00	-6.7%

Dawson International:

Euro Dysney	32.25	-35.1%
Elf-Gabon (Gabon)	1008.00	-15.3%
Generale Geophysical	338.00	-13.1%
Elf Aquitaine	408.60	-11.1%
AGF	657.00	-8.4%
Dassault Electronique	515.00	-8.7%
Sunilmo Francaise TF	388.20	-8.6%
CFM	1185.00	-8.5%
Total Sa	301.70	-8.2%

Lasmo:

Dawson International	1.360	-29.2%
Lasmo	1.120	-22.2%
Sigret Group (Rathern)	394.00	-20.3%
Hilwood Foods	1.520	-19.0%
London International	1.400	-16.7%
Burton Group	0.640	-15.8%
Unitech	2.510	-10.7%
Fisons	1.380	-14.3%
Aslec (Bsr)	0.700	-13.6%
Kwik Save Group	5.560	-13.4%

Hanwa:

Hanwa	890.00	-38.6%
Osaka	540.00	-36.7%
Mitsubishi Steel Mig	394.00	-33.7%
Nichie Co	445.00	-32.5%
Seiko	910.00	-31.6%
Tokyo Dome	1490.00	-31.3%
Sunilmo Trust	1010.00	-30.8%
Chiyoda Corp	985.00	-30.1%
Nippon Piston Ring	338.00	-29.7%
Daihousa Paper	1270.00	-29.4%

Discount Broker	Charles Schwab	Fidelity Investments	Quick & Reilly	Clear Discount	Kennedy Cabot	Pacific Brokerage	Barclays Share Shop Dealing	Sharelink
U.K. office (44)	71-495-7444	732-838-611	212-747-5000	313-861-6880	300-659-2071	012-288-1100	71-403-4883	21-200-4888
U.S. office (1)	212-633-0022							
Int. toll-free number	Yes	Yes	No	No	No	No	No	No
24-hour service	Yes	No	No	No	Yes	Yes	No	No
Trading by computer	Yes	No	No	No	Yes	Yes	No	No
Minimum fee for trade	\$30	\$30	\$37.50	\$40	\$25	\$25	\$15	\$25
Commission on 200 shares of AT&T stock	\$110	\$109	\$86.31	\$40	\$30	\$25	N.A.	\$113.42
Research reports available	Yes	Yes	Yes	Yes	No	No	No	Yes

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LCF Banque Launches Fund Linked to French Equities

La Compagnie Financière Edmond de Rothschild Banque (LCF Banque) is expanding the capital-guaranteed, equity index-linked French market with the launch of its Fourmi Year fund. The new fund seeks to provide investors with "between 60 and 65 percent" of any gain in the CAC-40 equity index over the next year.

The fund commits 10 percent of its money to call deposits, with the rest going into a mixed portfolio of corporate bonds. The income from the bonds is then used to buy options on the CAC-40 index.

Once the subscription period is closed (ends Dec. 14), no new subscriptions are taken by the fund. Charges are low at 2 percent initially, with an additional 0.3 percent of net performance. Minimum investment is 11,600 French francs (\$2,200).

"It is the ideal product for investors wanting to participate in the rising stock market without taking any risk on capital," said Olivier Walterspiller, first vice president of LCF Banque's capital markets division.

For more information, call Paris (33 1) 40 17 24 57, or fax (33 1) 40 17 24 12.

East German Properties Flop at Auction in Berlin

Prospective buyers turned up their noses at the East German properties on offer at Sotheby's recent real estate auction. Of the 16 properties up for bids, ranging from a Bauhaus residence in Leipzig to rundown apartment buildings in East Berlin, all but one were sold for less than the appraised values or failed to attract any bids at all.

A local property dealer who attended the Berlin auction said that renovating many of the apartment houses would be a difficult financial proposition due to strict rent controls.

The Bauhaus residence, whose total worth, including furnishings, was estimated at \$1.8 million German marks (\$1.05 million), remained unsold, possibly due to the fact it is protected as a national monument both inside and out.

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THE MONEY REPORT

Nest Eggs and Their Predators

By Philip Crawford

IT HAS been said that a financial adviser, apart from family and friends, is most capable of bringing joy—or disaster—into an investor's life. Yet, selecting someone with whom to entrust funds such as one's life savings is often carried out haphazardly, say experts, without sufficient research or care.

Half of the problem may be that much of the investing public is relatively naive regarding the topography of international markets, unaware of what to look for in an adviser, or what to be wary of. Horror stories of nest eggs lost to shady counselors abound.

But experts say that a little effort by investors, particularly beginning ones, can mean the difference between financial catastrophe and a good working relationship and a talented, authorized professional.

vestment counseling, the United Kingdom and the United States.

"There have indeed been too many cowboys in the industry, and people have lost a lot of money," said Roger Gonsalves, a director of Holden Matthews, a firm of independent financial advisers in London. "When that happens, it gives everyone a bad name."

In Britain, the Financial Services Act of 1986, which came into force in April 1988, laid down a framework for the policing of the securities industry. Among the provisions was a system involving basically two types of financial advisers: independent financial advisers, authorized to recommend (though not necessarily to trade in) investment products of any origin, and tied agents, authorized to recommend and sell only the products of one firm or financial group.

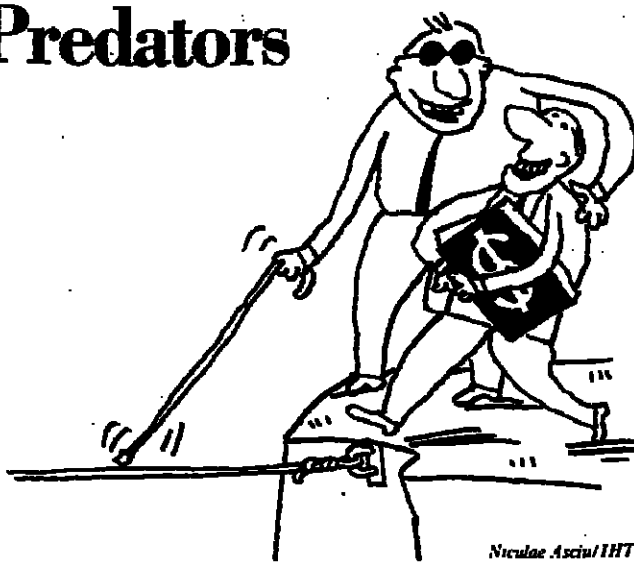
"The average British investor still doesn't understand the difference between an independent and a tied agent," noted Penman Linton, a tied agent at the insurance concern Lincoln National (U.K.) PLC. "And the reason is that so many people find advisers through word of mouth, from a friend or relative."

Despite the new framework, however, British watchdog groups report that complaints about investment counselors continue to roll in. Earlier this year, the London-based Consumers' Association published a report titled "How Mortgage Advisers Can Rip You Off" which concluded that inaccurate or misleading advice was common and that advisers often recommended the product that would earn them the highest commission regardless of the client's needs.

The SIB, while insisting that incompetent or dishonest financial advisers represent a small minority of those in business, nonetheless acknowledges that bad apples are out there. But tighter controls appear imminent. "There is obviously a need to ensure that advice given to investors is of a good and high standard and is consistent between sectors," said Pamela Marshall, an SIB spokeswoman. "More comprehensive regulations for financial advisers, which involve ongoing training and the demonstrating of competence, will go into effect on Jan. 1."

In the meantime, the SIB says that those in the market for a financial adviser should beware of counselors who promise extraordinary rates of return, use high-pressure sales tactics, insist that an investment be made immediately, or advise putting everything into one investment. A free booklet entitled "How to Spot the Investment Cowboys," is available through the SIB.

The United States appears to be a bit behind the United Kingdom in policing financial advisers. While the U.S. Securities and Exchange Commission, or SEC, plays the role of overall regulator for the securities industry, the framework



Neelme Assaf/HIT

One starting point for people seeking an adviser, say British analysts, is to interview advisers of both types to get a feeling for the difference between the two approaches.

Also established in the Financial Services Act were a plethora of regulatory agencies, with the Securities and Investments Board, or SIB, at the head. Bodies such as the Financial Intermediaries, Managers and Brokers Regulatory Association (FIMBRA) and the Investment Management Regulatory Organization (IMRO), to which anyone calling himself an investment adviser must belong, were created to police certain areas of securities dealing. Experts say that investors should first with the SIB.

But the lack of regulation regarding people who advertise themselves as investment advisers still takes its toll, say watchdog groups. Consumers Digest, a Chicago-based magazine, reported earlier this year that fraudulent or poor advice costs investors about \$1 billion a year. Much of that advice, said John Wask, an editor at Consumers Digest, typically comes from people such as securities dealers, accountants, insurance agents and tax-preparers who are self-proclaimed financial advisers.

Alice Lawrence, a Massachusetts-based CHFC, said that investment professionals should be happy to provide details of their background, experience and fee structures—as well as personal references—to prospective clients. Anyone hesitant to do so, she said, should make an investor suspicious.

Miss Roper stressed inquiring about fee structures as a way of weeding out candidates. "Most financial advisers sell on commission, and if their income depends on that, there's an obvious clash in their own interests and those of the client," she said. "Investors should look for 'fee only' advisers, or at least those who are the least dependent on commissions."

For further information on "fee only" financial advisers in the United States, call the National Association of Personal Finance Advisors at 1.800.366.2732. To obtain booklets published by the Securities and Investments Board in London, call 44.71.638.1240.

The Net Worth of Investment Advice

By Aline Sullivan

KING Charles II of England used to evade blame for his government's policies by saying that his words were his own but his actions were those of his ministers. For today's private investor, choosing a financial adviser is almost as difficult as choosing a minister was for Charles II.

For the very rich, the choice is usually among the private banking services offered at most commercial banks. But those with less money can still find plenty of specialist, rather than generalist, intermediaries to choose from. And there are numerous options in between.

The question for most middle-range investors is whether to be a small fish in a big pond or vice versa. Thresholds vary for access to private banking services offered by major banks in the United States. Citibank requires clients to have a net worth of more than \$1 million, excluding the value of their principal residence. Credit Suisse requires a total net worth of 250,000 Swiss francs (\$170,000) for domestic investors and of about 1 million francs for foreign clients. For such customers, the banks will dole out advice on a wide range of investments from mortgages and pensions to foreign currency exchange and stock portfolio management.

But investors who haven't reached such rarefied heights of affluence can still obtain private advisory services. There are plenty of niche players around who special-

ize in providing investment advice to middle-range clients, often thought of in the banking industry as those with between about \$50,000 and \$100,000 to invest. Many such counselors, moreover, claim they provide a better, more personalized service than large banks.

Nick Sutton, of the London financial advisory firm RFCL Ltd., said his company could provide a gamut of advice on investments ranging from mortgages to offshore tax havens. Many RFCL clients, he said, are young lawyers or computer professionals who tend to be "high income" rather than "high-net-worth" individuals.

There are two main reasons, Mr. Sutton said, for midlevel investors to choose a specialist adviser over a large bank. "The big houses are unlikely to look at someone unless they have a certain minimum wealth," he said. "Also, the bigger players tend to sell only their own products. Investors should make sure that these are the best in the marketplace."

Eddie Grossman, a partner at Martin Greene Raviden, a London accounting firm, concurred that smaller advisers were often better placed than their larger counterparts to arrange investment products for medium-net-worth clients. But some investors, he added, are often tempted by forbidden fruit.

"Once people know they can't qualify for the services of, say, Merrill Lynch, that is what they desperately want," he said. "And some investors may end up choosing the small firms just by default,

because they cannot meet the requirements of the big banks. "But the best advice isn't necessarily that which makes you the most amount of money right away, but that which provides you with the best type of investments for your purposes. There's no point in high returns if you can't get to your money when you want it."

According to Mr. Grossman, the large banks prefer high-net-worth clients because the banks like the ability to diversify investments that large sums on deposit offer them. "The spread of a million-pound client's portfolio is 10 or 20 times that of a smaller investor's," he said. "Also, some of those investments are not going to be profitable, and that is more worrisome for the smaller client than for the big players."

"Everything depends on the investor's level of sophistication," Mr. Grossman added. "Some clients would have to take tranquilizers if their money was with Merrill Lynch."

But many major banks are fighting back, offering products aimed at individuals who are comfortably off, but not hugely wealthy. One Swiss banker, who insisted on anonymity, said that the convenience of one-stop shopping for financial services was likely to outweigh the personalized attention available from the niche operators.

François Poudelet, a lawyer at the Paris legal firm Gide Loyrette Nouel, said that interest in all levels of private banking in France was growing rapidly. "All the banks are developing private banking depart-

ments in order to take care of wealthy clients," he said. Many accountants and lawyers agree that niche intermediaries will be hard-pressed to compete against this new range of banking services.

Citibank, which says it manages assets of \$75 billion for about 74,000 private banking clients, offers a service called Citigold to clients with at least \$100,000 on deposit.

"Citigold clients are not quite private banking clients but are more affluent than most of our customers," said a Citibank spokesman. "They receive many of the same services that the private banking clients do, including help with stocks and bonds, mortgages and other investments."

Security is another big concern among small and mid-level investors who are considering the services of a niche intermediary, seen by some as riskier than major bankers with well-known names. In Britain, those risks were recently brought to light by the trial of a financial adviser, Roger Levitt, who was accused of retaining clients' funds to keep his own company afloat.

But analysts say that security is an issue for all investors, not just for those choosing small firms. "Investors should counterbalance the Levitt situation against events like the collapse of BCCI," said Mr. Sutton. "Firms like ours, which don't hold clients funds, never put investors in a situation where all their eggs are in one basket."

Table titled 'Best Performing Mutual Funds' with columns for fund names and performance metrics over one month, one year, and five years.

Offshore, the Banks Are Competing for Investors' Foreign Currency Deposits

By Rupert Bruce

TRADE agreement or no trade agreement, the world is becoming more and more international.

A corollary to that is an increase in demand for foreign currency offshore deposit facilities. Whether it be expatriates who are paid in one currency but save in another, people with houses in more than one country, or simply small businesses with offshoots abroad, the demand is there and getting stronger.

Graham Barker, the executive director of Fidelity Investments International, who is in charge of the Bermuda and Luxembourg-based ranges of Fidelity Money Funds, says his investors come from 85 countries. In the month of November, he registered transactions from out-of-the-way countries like Belize, the Czech Republic, Costa Rica, and Gambia, quite apart from the mainstream international centers.

Major international banks and a few of the larger international investment management companies have geared up to meet the growing demand and offer competing services. They have accounts and funds in a broad range of currencies, which either accumulate or distribute interest. Broadly speak-

ing, the banks tend to offer more knobs and whistles. They also offer better rates to larger depositors.

Barclays Bank's international department in Jersey, for example, gives holders of its current accounts a checkbook if they so wish and grants loan facilities. Most money-fund administrators, on the other hand, will only transfer money into another bank account belonging to its account holder. And, of course, they are not in the business of making loans. As for the rates, at the beginning of this week, money funds were typically offering dollar rates of just over 2 percent gross, while Barclays was offering a rate of just 1 percent on its broadly comparable deposit accounts.

But the banks tend to offer a sliding scale of rates according to how much money is in the account and how long it is pledged for. Money funds tend to offer a fixed rate, regardless. So, as you go up the scales of time and money, the rates offered by banks improve to the point where they exceed those offered by money funds.

Taking this week's figures again, Barclays international department in Jersey would pay a dollar depositor with \$25,000-\$49,999 pledged for two months or \$50,000-\$99,999

pledged for one month a similar rate to those paid by the money funds, a little more than 2 percent. But a depositor with a balance of \$250,000 plus pledged for 12 months would earn as much as 3.44 percent.

Things are not as simple as they seem, however. The advantage of Barclays' larger and longer-term accounts, and those of many other banks, is eroded by electronic transfer fees. Mr. Barker says that banks also take a relatively large amount of commission on foreign exchange transactions and perform them at uncompetitive rates.

Fidelity recently conducted a survey in which it changed £10,000 (\$15,000) into German marks and put it into a German bank account. It did this through the four largest onshore British banks and its own money funds. On average, it found that it cost 1.68 percent more to complete the exercise through the banks.

In the experience of Peter Rees, marketing manager of Rothschild Asset Management, which runs the Old Court range of International Money Funds based in Guernsey, these transfers can matter a great deal to some customers. He says that some of Rothschild's depositors are small-time currency specu-

lators. "My feeling is there are not many people in there who are actively managing their own money, but we certainly do notice that when a currency is seriously out of line, as the dollar was 18 months ago, then you do see significant flows of money into that currency waiting for it to strengthen," Mr. Rees said.

For those depositors who want someone to do the speculating for them, there is a variety of managed currency funds with different base currencies. Mr. Rees, who has four at Rothschild, says these funds are run with the aim of making money against the base currencies.

In Rothschild's case, the base currencies are the Deutsche mark, sterling, dollar, and a theoretical basket of major currencies that is a third dollar, a third Deutsche mark, and a third yen. But often, these managed funds actually lose value against their base currency. According to Micropal, the investment fund monitoring company, the Old Court managed U.S. dollar fund has performed well during the last five years. An investment in it would have returned 34.42 percent during the five years to Nov. 1, while the straight dollar deposit fund would have returned 30 percent.

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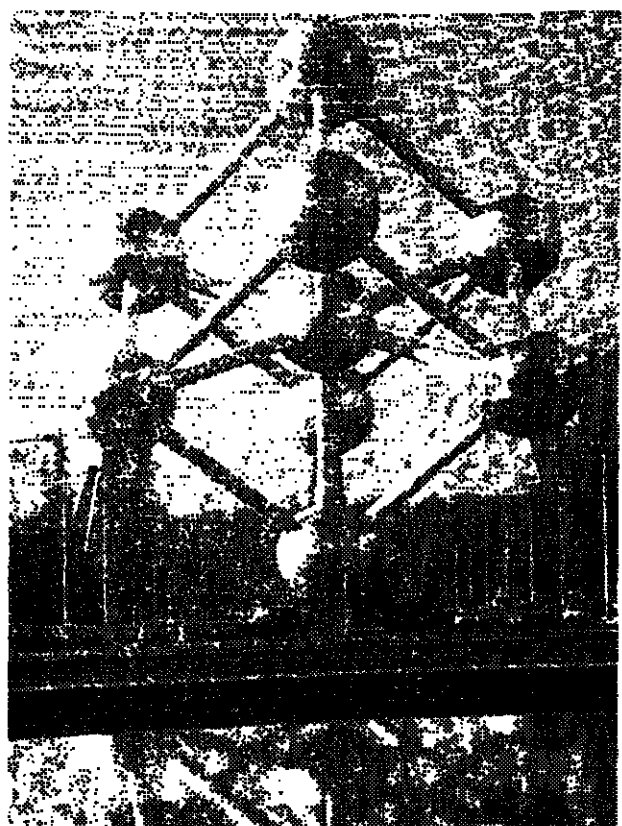
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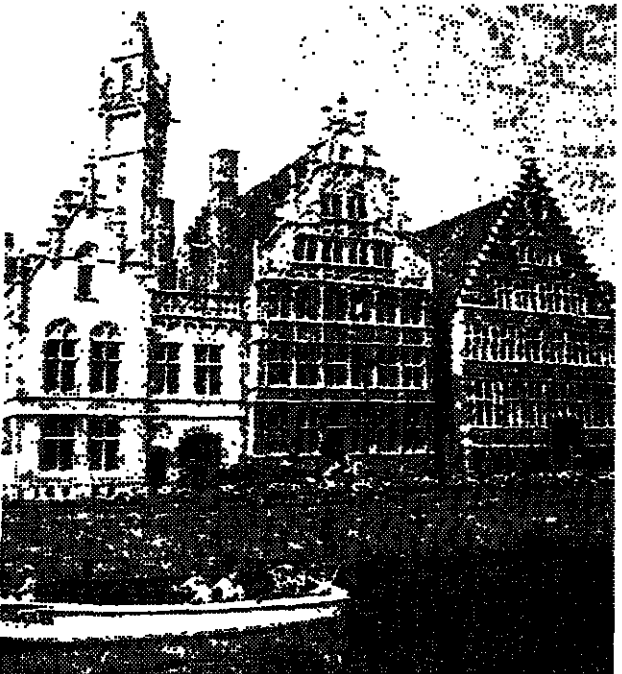
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ADVERTISING SECTION

BELGIUM



At the nucleus of Europe: the Atomium statue in Brussels.



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This advertising section was produced in its entirety by the International Herald Tribune's advertising department. • Peter Gwynne is a writer based in Brussels who specializes in science and technology. • Gregory Härtlwatters, a Brussels-based writer, is the author of the forthcoming novel, "A Tale of Two Destinies." • All photos courtesy of the Tourism Office of Belgium.

BELGIUM EXPLORES VIRTUES OF MODERN FEDERALISM

Of the 12 nations in the European Community, Belgium is probably the most appreciative of its membership in the exclusive club. The EC Commission is located in Brussels, and in many ways, the ambitions of the EC reflect those of Belgium, itself a federal state consisting of three regions that each have extensive executive powers.

This year has marked a milestone along Belgium's route to a federal state, with a broadening of the electoral powers of the peoples of the three regions.

The year has also had a dark side for the nation of 11 million have 3 official languages

11 million people. Belgium's much-loved King Baudouin died after 42 years of rule and was replaced by his brother Albert. And Europe's continuing recession forced the coalition government to introduce a tough program to reduce public debt and boost the Belgian franc.

But the government has not lost sight of its role in Europe — a role that has taken on particular importance in the past six months, when Belgium held the presidency of the European Community. The presidency kept the spotlight on the country's moves toward a more complete federalism of its own.

Independent only since 1830, Belgium has long been a nation threatened by division. In recent years, it has also been a country undergoing rapid evolutionary changes in the way in which it is governed. The country has three official languages — a small group of German speakers concentrated in the Eupen-Sankt Vith area in the east, and speakers of Dutch and French. There are two predominant population groups, the Flemings and Walloons, that do not always get along. All this poses cultural problems different from those encountered by other EC nations.

The disagreements are often heated, yet they tend to be expressed symbolically rather than violently. On one Sunday every September, for example, Flemish families in townships around Brussels take to their bicycles to draw attention to Dutch-speaking communities that refuse to become part of the officially bilingual Brussels metropolis. And the French-speaking mayor of a town in Dutch-speaking Flanders has been dismissed from office more than once for refusing to take a mandatory examination in the Dutch language — only to be voted back in immediately.

Nevertheless, very few Belgians want to take the linguistic divide to its limits, via a separation of the two cultural groups. Opinion polls earlier this year showed only 6 percent favoring that option. Instead, the Belgian government, a coalition involv-

ing several parties and representatives from both main cultures, is moving the country quickly toward a federal state in which national sovereignty has a smaller role than in Belgium's EC partners.

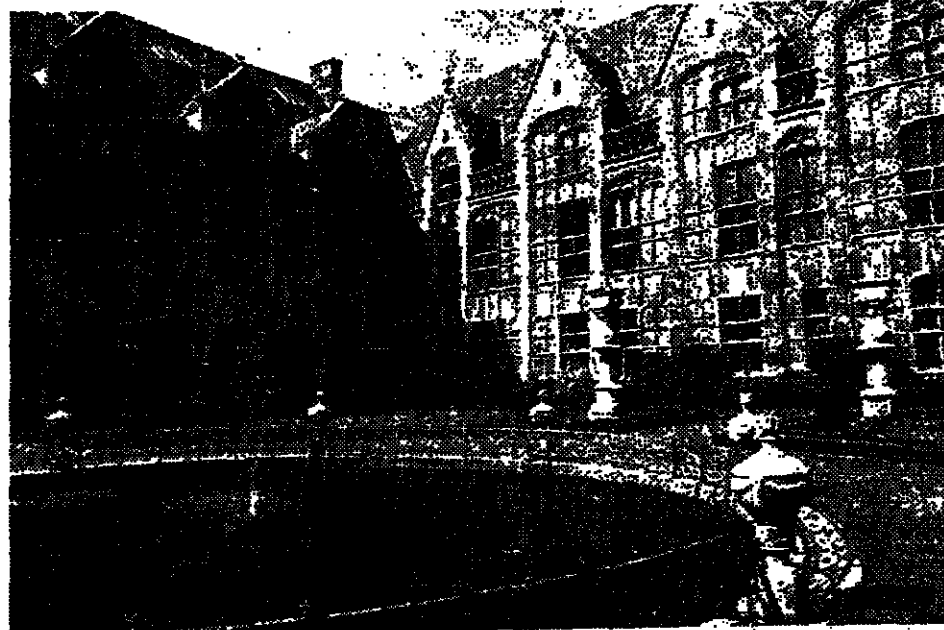
It is here that Belgian officials see the linkage with the EC. The country's own form of federalism and the federalism of the EC are "complementary and indissolubly linked," Prime Minister Jean-Luc Dehaene told the Spanish newspaper El País earlier this year.

Before the organizational changes started, Belgium was a unitary state with three levels of government: the national government, in conjunction with the bicameral parliament, nine provinces, and 589 municipalities.

In 1980, two new sets of institutions were inserted between the government and the provinces: regions and communities. Each region and community has its own executive and monocalameral assembly.

Today, Belgium has three regions: Dutch-speaking Flanders, French-speaking Wallonia and (since 1989) the bilingual "region of Brussels-Capital."

The regions have a great



In Wallonia, Liège's Palais des Princes Evêques displays the elegance of an earlier age.

deal of self-sufficiency, particularly in social and economic affairs. They are, for example, responsible for town and country planning, research, environmental protection, housing, economic policy, foreign trade, energy policy, employment policy, and public works and transport.

The three communities, meanwhile, are based on cultural and linguistic factors. The Flemish community operates in the Dutch-language region and in the bilingual region of Brussels. The French community has its center of activity in the French-lan-

guage region as well as in the bilingual capital region. And the German community takes care of the country's German speakers. The communities deal with such issues as cultural affairs — broadly defined as the arts, cultural heritage, tourism, broadcasting, education and linguistic matters.

In practice, this is less complicated than it might seem. The executives and assemblies of the Flanders Region and the Flemish Community have merged, to form what is known as the Flemish executive and the Flemish council. The joint body has its headquar-

ters in Brussels. The French-language community's executive and assembly are also based in Brussels. The Wallonia Region is based in the city of Namur.

This year has marked a key stage in the transformation of Belgium into a truly federal state. Following on previous moves in 1970 and 1988, the reforms of 1993 have made provisions for direct election to the regional councils of Flanders and Wallonia. Such direct elections are already the case in the regional council for Brussels-Capital.

Peter Gwynne

BRUSSELS: WHY BUSINESS EXECUTIVES ARE ATTRACTED FROM OVERSEAS

In an area of 162 square kilometers, Brussels hosts 33,000 businesses (1,000 of which are foreign-owned), 1,500 nongovernmental organizations, NATO's headquarters, 950,000 residents of over 100 nationalities and the world's second largest diplomatic corps, not to mention the core of the European Community's institutions — the Commission, the Council and many of the Parliament's offices.

"Brussels is the capital of Europe, and every day we get a little more investment because the idea of Europe is advancing," says Rufin Grijp, minister of economics for the Brussels region.

"The presence of the European institutions and of 1,500 nongovernmental institutions has attracted more than 1,000 multinationals. These are not just present in Brussels or Belgium, but also consider Brussels the center of their European business," continues Mr. Grijp.

There is no need to offer incentives, he says. In fact, Mr. Grijp opposes aid to business.

"We're probably among the regions in Europe that give the least aid," he says. "I believe that if you give a lot of money two or three times to companies, they come back like beggars the fourth year. Companies come here due to the role of Brussels as the capital of Europe and its multiplier effect."

The importance of the European Community overshadow-

ows that of the most successful Belgian-wide incentive to business investment, the "coordination center" regime. This offers large tax advantages to a multinational that sets up a subsidiary to perform a prescribed range of administrative activities. Since the scheme's inception in 1982, approximately 300 coordination centers have been established in Belgium, and 170 of these — belonging to companies like General Motors, Levi Strauss and Volkswagen — are in Brussels.

Whatever reason a company has for setting up operations in Brussels, once its executives get there, they tend to stay. "I know an enormous number of foreign executives who come here and never want to go home," says Mr. Grijp. "Even if tax rates are higher here, what an executive takes home is still more than enough, because life in Brussels isn't expensive."

"Here executives can afford a lifestyle they often cannot afford at home," confirms John Russell, EC affairs manager at the American Chamber of Commerce. "Moreover, there's such a large expatriate community and so many types of food and entertainment available that a newcomer does not feel isolated."

Add to that schools of 21 nationalities and housing at affordable rents, and an executive has everything his or her family needs, say Russell and Chantal De Roy of the Brussels region foreign-investment service.

Such a concentration of business is not without its negative consequences. "Brussels also has a certain number of nuisances because of all these companies, such as pollution and transport problems," says Mr. Grijp.

On the question of controlling the environment, Didier Gosuin, Brussels-region environment minister, says that the largest single component of waste is the 800 million tons of construction waste generated every year as Brussels tears down and rebuilds. The problem is replicated in most areas, he says.

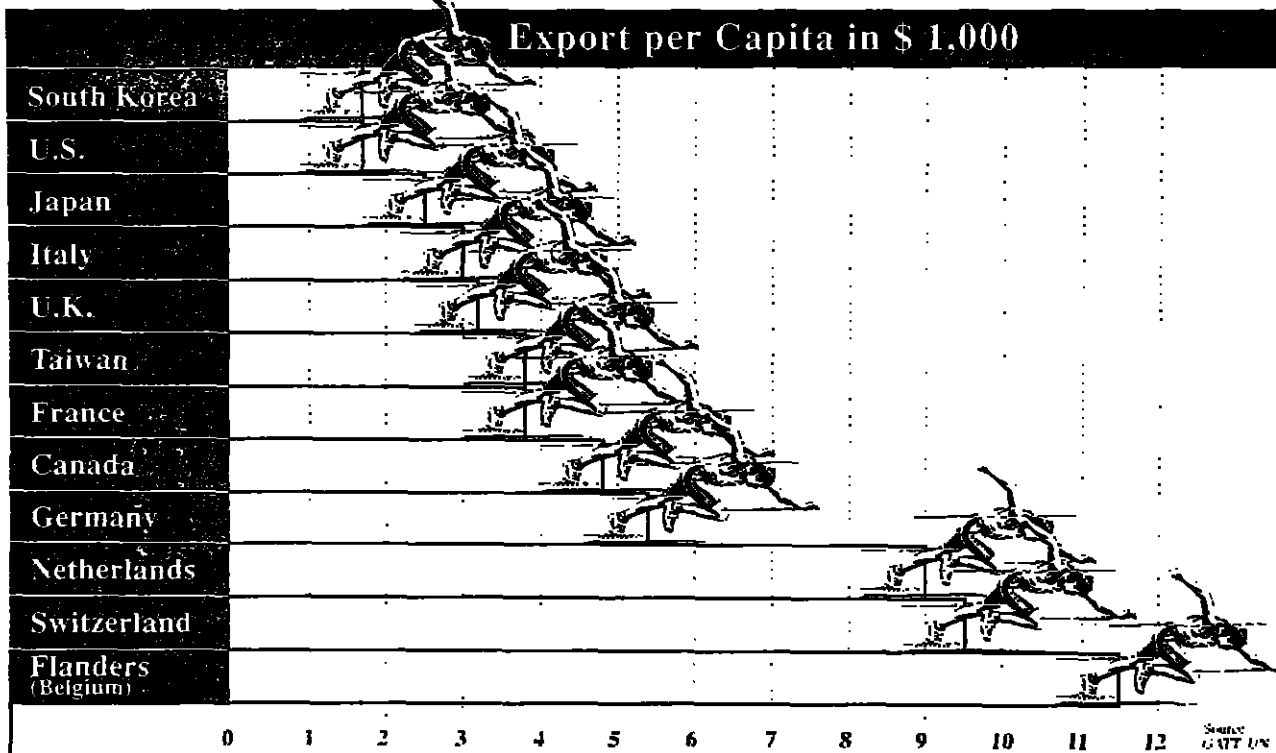
He admits that in 1989, when the Brussels regional government was created, it was a long way behind in environmental matters. "We've made a big effort," he says, "but we still have a way to go before we're as clean as Geneva."

Among the projects that the Brussels government has undertaken are the building of waste-water treatment plants and incineration and recycling facilities so that waste does not simply get taken outside of the city and used as landfill. A new procedure was introduced on Dec. 1 that requires companies to pass an environmental audit every year.

Mr. Gosuin sees a need to re-educate citizens of Brussels who have not learned to respect the environment. "We need to have wider sanctions vis-à-vis the city's residents," he says.

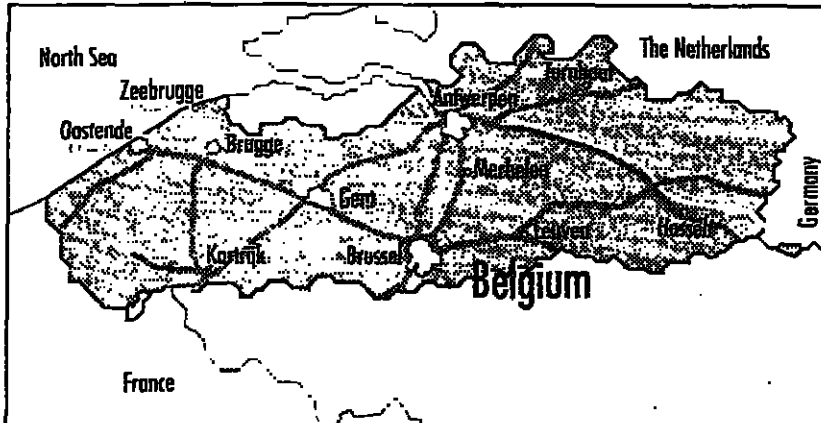
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WALLONIA: HIGH-TECH RESEARCH LEADS THE WAY

In terms of industrial technology, Wallonia is one of Europe's better-kept secrets.

Once the thriving center of Continental Europe's industrial revolution, the region has suffered a decline in heavy industry over the past half century. Now, it is beginning to emerge into a high-technology future, with assistance from the European Community and the help of science parks set up to encourage the changing of laboratory research into products that sell.

Wallonia's industrial heritage was created in the 19th century, when the cities of Liège, Mons and Charleroi formed great centers for the production of coal, steel and glass. The decline of these industries hit the region particularly hard. Wallonia lost 110,000 mining jobs between 1953 and 1971, and another 100,000 jobs from all sectors of its economy between 1974 and 1987.

Since then, the region has fought back by converting its industries to turn out products of higher value, often using grants from the European Community. The iron and steel industry, for example, now produces a wide range of finished articles. Glass-makers create a wide range of specialized types of glass, such as hollow crystal glass and laminates. The chemical industry offers a range of

products that varies from plastics to pharmaceuticals.

The region is looking to the next wave of value-added products. Wallonia's goal is to recapture some of the industrial leadership that it possessed in the 19th century by concentrating on modern, cutting-edge technologies. The route leads through industrial parks.

One major venture is biotechnology, the manipulation of genetic material to create entirely new products for medicine, agriculture and other pursuits. Some estimate that the region has the world's highest investment per capita in this technological brave new world.

The region boasts about 50 biotechnology companies. One recent entrant is a true giant in the industry. Early next year, Boehringer Ingelheim Whitaker, a joint venture between German pharmaceutical company Boehringer Ingelheim and U.S. corporation Biowhitaker, will start producing liquid media for cell culture, cell lines and sterile serums. The plant is located in the industrial park of Verviers, near the German border.

Other technology ventures in the region are associated with universities. The University of Liège, for example, has a program called Interface Liège. The goal is to provide links between academia and industry to ensure that raw information and new techniques make their way from the university laboratories to the small and medium-sized firms that can exploit them.

The university acts as a kind of incubation center for fledgling technology-based companies. In the past decade, more than 15 companies have been formed as a result of research at the university.

Just as significant to the future of the Walloon region are two science parks created by the Université Catholique de Louvain. The major one is at Louvain-la-Neuve, the site of the University, which was formed in 1970 when the ancient bilingual institution was split into separate French- and Dutch-speaking components. The site itself is as much a science town as a typical campus.

The park occupies 160 hectares of the 900-hectare site. "In practice," says the park's promotions manager, Jacques van Eijs, "researchers only have to cross the road, and they are in contact with industry, and vice-versa."

The park contains a range of occupants, from multinationals such as Shell and Nissan to one-person operations. "We accept any kind of technology, but we accept companies only if they have a good relationship with the university," explains Danielle Mercier, an adviser at the project's Liaison Office. "We want to diversify all the activities in the park."

At present, the dominant technologies are pharmaceuticals, new polymers and new materials. P.G.



Tranquil tourism in the Sablon area of Brussels.

BATTLEFIELDS COMPETE WITH MEDIEVAL SITES

For many tourists, Belgium is more a way-station than a destination—a country through which they pass rather than a stopping point. Nevertheless, the nation offers tourists a range of attractions, from beaches to medieval cathedrals, from wooded river valleys to battlefields galore.

Add frequent festivals throughout the year, a cuisine that gourmets regard as second only to that of France, and more than 400 varieties of beer, some of which are still brewed in monasteries, as they have been since the Middle Ages. In addition, the level of English spoken throughout Belgium is extremely high, and the capital, Brussels, is within a few hours' drive of such centers as Paris, Amsterdam and Düsseldorf. The conclusion: Belgium certainly deserves to be a tourist destination in its own right.

Brussels is unfortunate in its best-known attraction: Manneken Pis, the diminutive statue of a small boy urinating, is meant to represent Brussels' "irreverent spirit." But it hardly competes with the stately of, say, Paris or London.

The Grand Place, about 200 meters from the statue, is a different matter. A wide cobbled pedestrian square surrounded by the renovated facades of medieval guild houses, it is redolent of European history.

Other attractions in and around Brussels include museums of everything from Flemish art to Central African masks; the Atomium, a giant structure in the shape of an atomic molecule originally designed for the

1956 world fair; the 15th-century church of Notre Dame du Sablon; and the quaint Sablon area, home to a multitude of antique shops.

About 20 kilometers south of Brussels, the town of Waterloo is the site of a battle that changed history with the final defeat of Napoleon. The site itself is unprepossessing, but a 100 meter high monument topped by a statue of a lion, known as the Butte de Lion, provides a spectacular panorama of the scene.

A century after the battle of Waterloo, Belgium was involved in the carnage of the World War I. Battlefields from that era dot the country's landscape.

Mons, south of Brussels, is the site of the earliest battles. A complex of museums there contains mementos of World War I, and of the town's occupation by Germany during World War II.

In Flanders, to the west of Brussels, is the town of Ieper (known as Ypres in French). Signs of the 1917 slaughter in Flanders fields remain in the form of ruined buildings, war memorials and huge military cemeteries.

Not all of Flanders' history is so depressing. Bruges, probably Belgium's most popular destination for tourists, is one of the best-preserved medieval cities in Western Europe. Nearby Ghent is another medieval city that has found its way into the tourist guidebooks.

Farther east, Antwerp has gloried recently in the title of Cultural Capital of Europe. Located on the east bank of the Scheldt River, it is a haven for museums and art galleries. P.G.

FLANDERS: SKILLED SERVICE AT THE HEART OF EUROPE

Flanders has an image problem—it lacks an immediate image that might attract outside investors.

Officials from the Flemish regional government and from international companies that have been investing in the region for 25 years admit that the territory is not easily recognizable to potential investors in the United States or the Far East.

"We have nothing like Dutch tulips or wooden shoes, with which foreigners can easily identify," says Josee Mercken, managing director of the Flanders Investment Office. The region has not even made use of local treasures like Peter Paul Rubens or contemporary personalities like actor Jean-Claude Van Damme to give the world a better sense of what Flanders has to offer.

When the minister-president of Flanders, Luc Van den Brande, or other Flemish officials make presentations to investors across the world, they tend to concentrate on the ease of doing business there and the central European location of Flanders.

"Our main selling point," says Loïc De Cannière, Mr. Van den Brande's chief of staff, "is that we offer very good service, for example, in obtaining labor and building permits quickly, getting incentives worked out and helping with vocational training and hiring if it's needed. We think we're the natural distribution heart for Europe, including Central Europe. Antwerp is the closest port to Prague."

Flanders has a strong selling point in Antwerp, the second largest port in Europe, and the ports of Zeebrugge, Ostend and Ghent. The region also has five major highways crisscrossing it and, Flemish officials point out, it is within a three-hour drive of Paris, Amsterdam, Düsseldorf and Luxembourg.

But Mr. De Cannière thinks the region has even more to offer. "Flemish workers are highly skilled and multilingual," he says. "We know that tax rates are a bit high, but we have a sophisticated system of deductions, so the effect is to make the tax rate much less than the European average."

Mr. De Cannière also believes that Belgian labor, despite its apparently high cost, is good value. "We always stress that productivity is high in Flanders, so unit labor costs are favorable compared to Germany," he says.

Mr. De Cannière has unexpected things to say about subsidies. "Studies have shown us that infrastructure is the most important consideration for a

business when making an investment decision," he says. "To this end, we have decreased the amount of subsidies Flanders pays to companies investing in the region from 15 billion Belgian francs (\$4.13 million) in 1990 to 5 billion francs in 1994. We have recycled this 10 billion francs into road infrastructure, port development and scientific research."

Judging from the fact that Nike, Toyota and Mazda invested over 8 billion Belgian francs in Belgium in 1993 for new European distribution, marketing and engineering centers, some companies seem to be listening.

Flanders has restricted new investments in heavy industries: they are allowed only in a crescent of land that runs from Ghent to Antwerp to offer.



Antwerp, the closest port to Prague, makes Flanders a natural center for European distribution.

Heusden. Some types of industrial plant are not allowed in Flanders at all.

"We like to have industry that's clean and environmentally friendly," says Mr. Mercken.

Despite certain headline-catching investments, less money has come to Flanders in 1992 and 1993 than in previous years.

To change that situation, Mr. Mercken says the region will have to market itself more aggressively. It intends to associate itself more with its famous sons and products. Undiscovered treasures include the hundreds of beers from the region, such as Stella Artois, and exotic varieties of trappist, gueuze and white beers.

Flanders seemed to be getting the message across. "We've suddenly had a lot of contacts in the last five to six months, many coming from the United States," Mr. Mercken says. "I presume 1994 will be better." G.H.



Science and high technology: where industry and universities meet.

products that varies from plastics to pharmaceuticals.

The region is looking to the next wave of value-added products. Wallonia's goal is to recapture some of the industrial leadership that it possessed in the 19th century by concentrating on modern, cutting-edge technologies. The route leads through industrial parks.

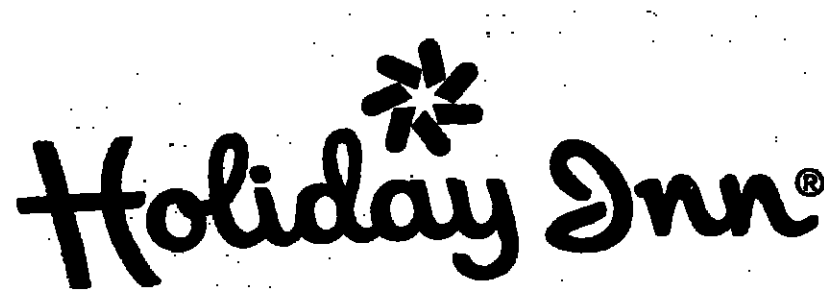
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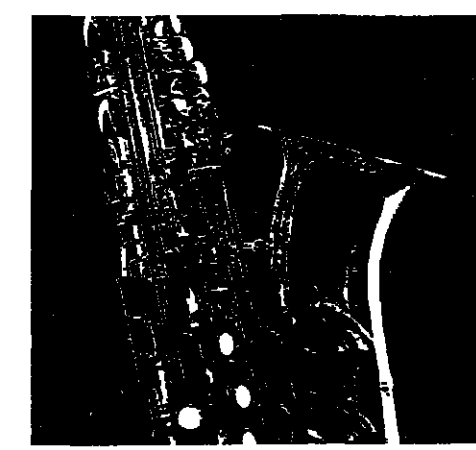


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SPORTS

Rockets, Sonics, Hawks Win Again

The Associated Press
Houston, Seattle and Atlanta, the NBA's hottest teams, are still flying high.

The Rockets beat Miami, 115-109, in overtime Thursday night to improve their league-best record to 18-1; the SuperSonics crushed Dallas, giving them a 16-1 mark and six consecutive victories; and the Hawks tripped San Antonio, to match their club record with 12 straight wins.

Houston came the closest to being derailed as Vernon Maxwell

NBA ROUNDUP

beat the regulation buzzer with a 30-foot (9.1-meter) desperation shot that forced the overtime.

"I've been lucky, very lucky. When I get home, I'm going to fall on my knees," coach Rudy Tomjanovich said in Houston.

The Rockets, who got 23 points and 16 rebounds from Hakeem Olajuwon and 25 points from Mario Elie, scored the first nine points of overtime.

"We had them and let them get away," said Glen Rice, who scored a season-high 40 points, but missed a free throw that would have given the Heat a four-point lead with 3.1 seconds left in regulation.

Sonics 125, Mavericks 93: In Dallas, the Mavericks lost their 14th straight and ninth at home.

Seattle control by outscoring Dallas, 37-18, in the second quarter, giving them a 61-45 halftime lead that they extended to 95-71 after three periods.

"They blitzed us," Mavericks coach Quinn Buckner said.

Seattle coach George Karl went to a small lineup early in the second quarter, and the Sonics' defensive pressure forced nine turnovers in the period. Seattle converted 15 of 20 shots in the quarter.

Kendall Gill finished with 23 points, Gary Payton 22 and Ricky Pierce 20 for the Sonics.

Hawks 105, Spurs 95: In Atlanta, Dominique Wilkins scored 23 points and Andrew Lang a season-high 20, but it was the Hawks' improved defense that carried them to victory over San Antonio.

The Spurs became the 12th team in 14 games to fail to score 100 points against the Hawks.

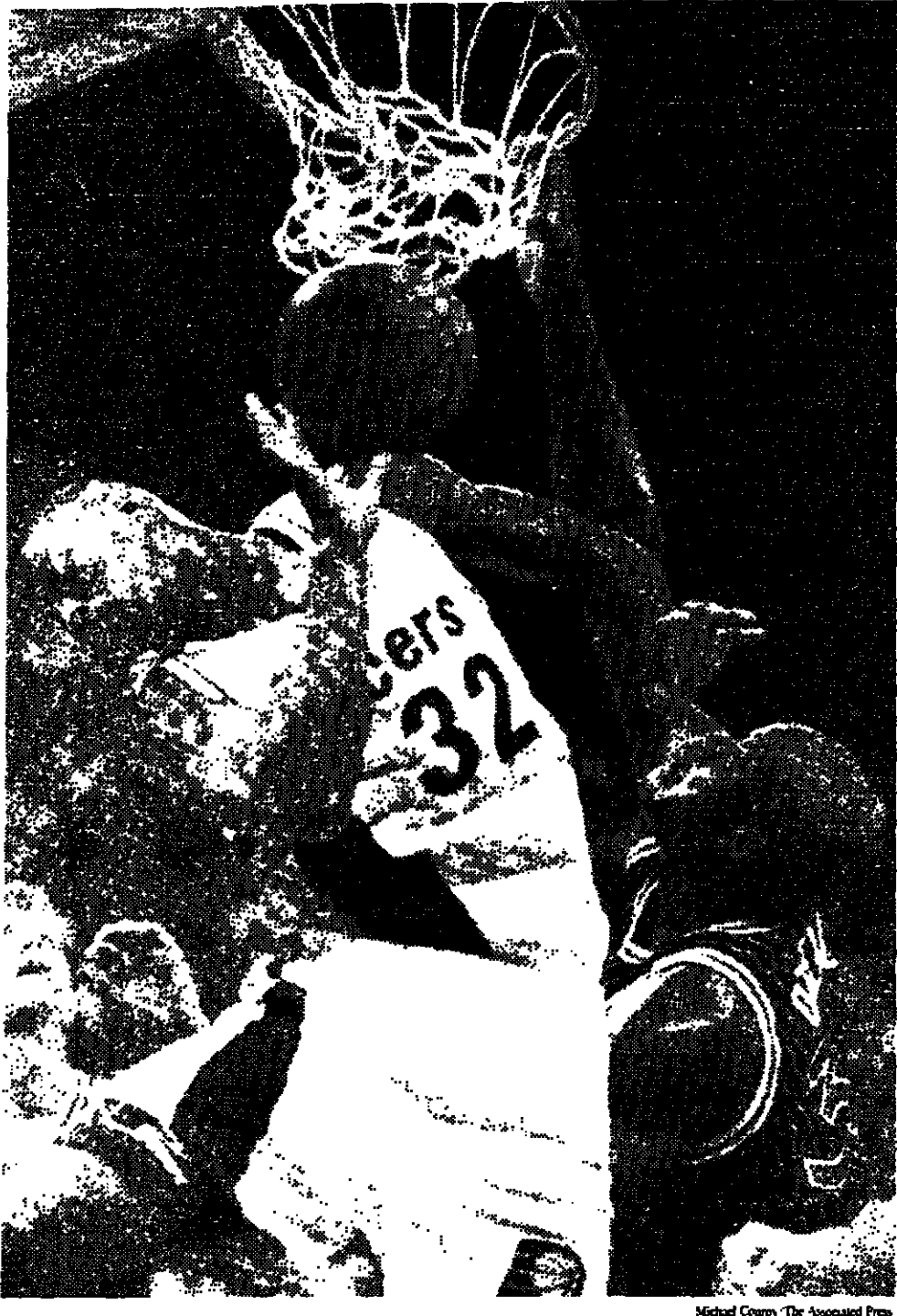
"Our defense is winning games for us," Wilkins said. "When we start clicking on both ends on a consistent basis, we're going to be hard to beat."

The Hawks can establish a club record with their 13th straight victory when they face the Washington Bullets Saturday in Baltimore.

Pacers 111, Magic 105: In Indianapolis, Indiana used depth to offset a career-high 49 points by Orlando's Shaquille O'Neal.

Reggie Miller led eight Pacers in double figures with 23 points.

The Pacers connected on 40 of 50 free throws as they won for only the third time in nine home games. O'Neal hit 17 of 25 shots, including nine first-half dunks. Only a 52.9 percent free-throw shooter, he made 15 of 18 at the line.



Indiana's Dale Davis protects himself after Orlando's Shaquille O'Neal dunked two of his 49 points.

Quality Time for Tar Heels' Wallace

The Associated Press
Last weekend, Rashed Wallace's teammates at No. 2 North Carolina were trying to lift the spirits of the 7-foot (2.14-meter) freshman.

Against Colorado State on Thursday night in Chapel Hill, North Carolina, Wallace returned the favor. He was 9-for-9 from the field and scored 19 points as the Tar Heels took advantage of their size and pressure to claim an 89-66 victory over the previously unbeaten Rams.

Wallace played only 12 minutes against Brigham Young in last weekend's Tournament of Champions title game and the disappointment was written on his face. That was despite the fact he scored 11 points and got 10 rebounds in that time.

He played 20 minutes against Colorado State and made them count.

"Nobody likes to sit down," Wallace said. "Everybody wants to be in the game, but you can't. You can only have five on the floor. While I was in there, I had to do what I had to do."

The Tar Heels (7-1) muscled their way inside early with big starters Eric Montross and Kevin Salvadori. That set the stage for Wallace. He got 12 points in the first half, and brought the crowd to its feet at the 1:18 mark with an overhead jam.

Wallace closed the game with a put-back slam with 12 seconds to play.

Montross scored 17 points and grabbed 12 rebounds.

Colorado State (3-1) couldn't handle North Carolina's trademark

COLLEGE BASKETBALL

traps and double-teams and the results were disastrous for the Rams. They committed 15 turnovers, and North Carolina got nine steals in the opening half.

No. 8 Massachusetts 90, Central Connecticut State 63: In Amherst, Massachusetts, Lou Roc had 27 points and the Minutemen (6-1) opened a 26-point halftime lead.

Boston College 75, No. 13 Syracuse 58: In Syracuse, New York,

the Eagles (5-0, 1-0 Big East) won at the Carrier Dome for the second year in a row as Billy Curley had 21 points, almost all inside against the smaller Orangemen (4-1, 0-1) in the Big East opener for both.

No. 14 Arizona 88, Utah 81: In Salt Lake City, Utah, Corey Williams scored 10 of his 14 points in a late 16-2 run that lifted the visiting Wildcats (4-0).

No. 15 Oklahoma State 89, Texas Christian 67: In Stillwater, Oklahoma, the Cowboys (5-1) tied the first half with a 20-4 run to take control. Bryant Reeves had 20 points.

No. 22 Virginia 63, Coppin State 61: In Charlottesville, Virginia, Mike Powell, a freshman who had been hospitalized with meningitis two weeks ago, made 140 free throws with one second remaining for the Cavaliers.

Five days in the hospital fell seven pounds (3.2 kilograms) lighter and weak. "Running down the court made me so tired my chest hurt," he said.

Chiefs Battle Their Denver Jinx Raiders Try to Further Playoff Hopes Against Seahawks

New York Times Service
CHIEFS (9-3) at BRONCOS (7-5): KEY STATS: Chiefs have not won in Denver in 10 years; Broncos have four losses by three points each. COMMENT: Last season, Kansas City lost in Mile High Stadium by 20-19 when John Elway threw two touchdown passes in the final two minutes. It is a pivotal game for the Chiefs. They can clinch the AFC West division if they win and the Raiders lose. They can sweep Denver for the first time in 13 years. Denver, however, needs the game even more; expect Elway and the Bronco defense to make enough big plays to secure the victory. Broncos by 14.

SEAHAWKS (5-7) at RAIDERS (7-5): KEY STATS: Seahawks' Rick Mirer leads AFC quarterbacks in rushing yards with 199; Raiders' coach Art Shell is 7-1 vs. Seattle. COMMENT: The Raiders' unlikely win at Buffalo gives the team a strong shot at the playoffs. Tim Brown emerged as the Raiders' biggest playmaker vs. Buffalo, with 10 catches for 183 yards, and it is a trend that should continue vs. the Seahawks. Shell loves beating former Raiders' coach Tom Flores. And it happens again if quarterback Jeff Hostetler takes care of the ball and avoids interceptions. Raiders by 8.

49ERS (9-3) at FALCONS (5-7): KEY STATS: 49ers seek fourth sweep of Falcons in past five seasons; Falcons' Bobby Hebert has TD passes in six straight games. COMMENT: Atlanta should put a scare in the 49ers but that's just about it. San Francisco can clinch its 10th divisional crown since 1981 with a victory and a New Orleans loss. The 49ers have ample offense with Steve Young, Jerry Rice, Ricky Waters and John Taylor. Young is on target to become the first quarterback in league history to win three straight passing titles. Odds makers favor the 49ers by 8 1/2 points.

JETS (7-5) at REDSKINS (3-9): KEY STATS: New York has led opponents sackless in seven of 12 games; Washington's rookie back Reggie Brooks 127 rushing yards shy of 1,000. COMMENT: The Jets could have caught Buffalo and tied for second place in the AFC East but let the game slip away vs. the Colts. New York's versatile back Johnny Johnson is questionable with a rib injury but is needed. Look for the game to swing on special teams play, where the Jets should enter prepared. This is critical for the Jets with games left vs. Dallas, at Buffalo and at Houston. Jets by 3 1/2.

BROWNS (6-6) at OILERS (8-4): KEY STATS: Browns have lost six of past nine in AstroDome; Oilers' Gary Brown rushed for 194 yards vs. Browns in Week 12. COMMENT: "Him (Jerry Glavine) coming back here for the first time and with 18-20 plays still here who played for him, we didn't want him coming in here controlling our house." That was Oilers' coach Jack Pardee after Houston shipped Atlanta. The usually dry Pardee talking about who's in the house and who isn't in the house. Yes, all is well with Oilers. Especially with quarterback Warren

Moon, who threw for 300 yards vs. Atlanta. Oilers by 11.

BEARS (7-5) at BUCCANEERS (3-9): KEY STATS: Bears lead series 24-7 and have won 18 of the last 21; Buccaneers end Ray Seals leads team with seven sacks. COMMENT: The Chicago offense has struggled all season but it did help produce the most points by any team in a game this season, 47, vs. Tampa Bay in Week 4. Chicago has won four straight with a defense that has produced turnovers and big plays and won't fall here after having worked so hard to forge into first place in the NFC Central. Bears by 4 1/2.

BILLS (8-4) at EAGLES (5-7): KEY STATS: Bills' tight end Pete Metzelaars leads team in catches with 47; Eagles allowing 144.5 rushing yards per game. COMMENT: "There's no damn controversy. We're just

frustrated on offense because we haven't scored some points. That's all. We're not pointing fingers at anybody. There's no bickering Bills." That was Thurman Thomas after Buffalo lost late by 25-24 at home to the Raiders. Philadelphia has the defense to keep the game close but not enough offense to win it. Look for Thomas to run big vs. the sagging Eagles' run defense. Bills by 4 1/2.

COLTS (4-8) at GIANTS (9-3): KEY STATS: Colts have won five straight at Giants Stadium; Giants' Phil Simms one of nine quarterbacks to start all 12 games. COMMENT: Those Colts' five straight wins came vs. the Jets, not the Giants. The Colts will find that the Giants' defense will be harder and so will the Giants' running backs as they run right at the Colts' defense. The Giants lead the league in rushing offense (138.7 yards per game) and this is where the game will be won. Giants by 11.

COWBOYS (8-4) at VIKINGS (6-6): KEY STATS: Cowboys' Emmitt Smith needs 30 rushing yards for his third straight 1,000-yard season; Vikings' Jim McMahon 5-2 in games he has started. COMMENT: "It's not the effort and talent of the players. It's the coaching. We've got to do a better job of coaching. We're not as efficient as we need to be. We're not playing as well as I'd like for us to play. We've got to make improvement over the last part of the season for us to be a success in the playoffs. That debacle we had on Thanksgiving has set us back for one reason or the other and we've got to come out of it." Sounds like Jimmy Johnson wants to grab a helmet and quit. No need. Cowboys by 7 1/2.

LIONS (7-5) at CARDINALS (4-8): KEY STATS: Lions' Erik Kramer is 11 of 24 for 120 yards with no touchdowns or interceptions; Cardinals' 38 points scored vs. Rams most under Joe Bugel. COMMENT: Offensive coordinator Dan Henning was fired and Kramer jumped from No. 3 to the starting role as the Lions search for offensive answers. They were shut out vs. Minnesota in their first game without the injured Barry Sanders.

Phoenix never looked better in its big win vs. the Rams where Ron Moore rushed for four touchdowns. Phoenix has plenty to play for, especially its attempt to save Bugel's job. Cardinals by 6 1/2.

RAMS (3-9) at SAINTS (7-5): KEY STATS: Rams lost by 37-6 to Saints in Week 5; Saints' 4.6-yard average per rush tops in NFC. COMMENT: The Saints were pummeled by the Cleveland Browns' blitzes last week and quarterback Wade Wilson took the brunt of the punishment. Facing the Rams' pass rush should be much more healthy for Wilson. The Saints will be able to outmuscle the Rams and keep the ball on the ground and win in the way that coach Jim Mora loves best. Boring but effective football. Especially against the porous Rams defense, which has forced only 16 turnovers, 17 fewer than Buffalo's league-leading total. Saints by 13.

PACKERS (7-5) at CHARGERS (6-6): KEY STATS: Green Bay's Brett Favre passed for career-best 412 yards in loss to Chicago at quarterback; Favre won two NFC Central but 0-2 vs. Packers. COMMENT: "We're a young team and we play young. I felt like we were moving the football consistently during the football game. I felt good about that. I'm not going to tell you I thought I had a bad game plan because I put it together." Packers' coach Mike Holmgren said that after his team lost to Chicago and fell into a three-way tie for first place in the NFC Central with the Bears and Detroit. Both the Packers and the Chargers have playoff hopes. The Chargers, with Stan Humphries back at quarterback, have won two straight. Make it three. Chargers by 3 1/2.

STEELERS (7-5) at DOLPHINS (9-3): KEY STATS: Steelers own league's No. 1 defense (261.4 yards allowed per game); Dolphins own AFC's No. 1 offense (364.3 yards per game). COMMENT: Lefty Scott Mitchell is expected to return for Miami and his mobility, strong arm and good decision-making should be a plus for Miami's big-play offense. Pittsburgh has ridden a roller coaster all season and needs to play an intelligent game to cope with Miami in Joe Robbie Stadium. Miami will keep drives going with third-down specialist Terry Kirby, one of the league's best rookie backs. From there, look for receivers Mark Ingram and Irving Fryar and tight end Keith Jackson to give the Steelers headaches in the end zone. Dolphins by 3 1/2.

BENGALS (1-11) at PATRIOTS (1-11): KEY STATS: Cincinnati allowed no sacks in 21-8 loss at San Francisco; New England has six of 11 losses by three or fewer points. COMMENT: This game goes a long way in deciding which team gets the first pick in the 1994 draft. Does it become a test to see which team can lose first without appearing to look as if that is its goal? The difference between picking first throughout the draft and second is huge. Let's go with the Bengals in the race for first. Patriots by 4 1/2.

These NFL matchups were prepared by Thomas George of The New York Times. Odds were provided by Harrah's.

Coach Bowden (Son) Outdoes Coach Bowden (Father)

The Associated Press
HOUSTON — Auburn coach Terry Bowden won the Bear Bryant Award as college football's coach of the year, but he didn't get his wish.

He wanted his father, Florida State coach Bobby Bowden, to win. Instead, Terry Bowden beat out his father and two other finalists, John Cooper of Ohio State and Bill Snyder of Kansas State.

"To be honest, I'd rather my father win," Terry Bowden said Thursday night. "I don't have to win this award at age 37."

Terry Bowden burst upon the national coaching scene in his first season at Auburn, which was placed on NCAA probation for violations that occurred before Bowden's arrival, leading the Tigers to an 11-0 record.

Bowden is one of the youngest Division I-A head coaches in the country. He spent nine combined seasons at Salem College and Samford, compiling a 46-21-1 record before taking over at Auburn.

Auburn, 5-5-1 in 1992, didn't start with the idea of an unbeaten season. "Six wins would have been an improvement for us," Terry Bowden said. "We didn't get caught up in that early in the season until we beat Florida," in the seventh game. "Then we got caught up in it."

Florida State, Kansas State and Ohio State all will be going to bowl games, but Auburn isn't eligible for postseason play because of the probation.

Bowden ranks third on the all-time victories list behind Nebraska's Tom Osborne and Penn State's Joe Paterno with a record of 238-78-3.

Bobby Bowden, whose Florida State team will play Nebraska in the Orange Bowl, has flirted with a national championship several times, but has never captured the title. The Seminoles, 11-1, are ranked No. 1 in The Associated Press poll despite a loss to Notre Dame.

DENNIS THE MENACE



"I COULD HAVE BEEN A GOOD BOY, BUT I JUST DIDN'T HAVE THE TIME THIS YEAR."

JUMBLE THAT SCRAMBLED WORD GAME

Unscramble these four jumbles one letter to each square of both four-letter words.

SULEO
VABOE
NOOBA
LOUTTE

THE FRENCH WORDS WHO SLIPPED HIS LEASH WAS CALLED _____

Now arrange the words from top to bottom in the square, all set passed by the "score" a piece.

Print answer here: " _____"

Answers: SULEO: SUELO; VABOE: BOEVA; NOOBA: BONNA; LOUTTE: TOUTE.

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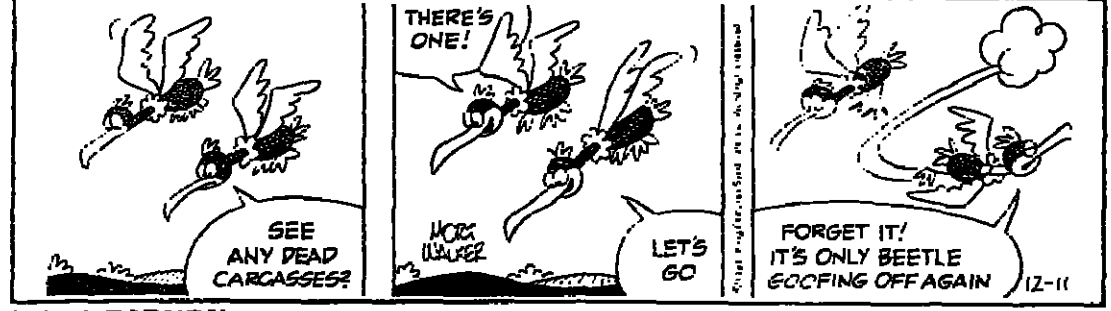
PEANUTS



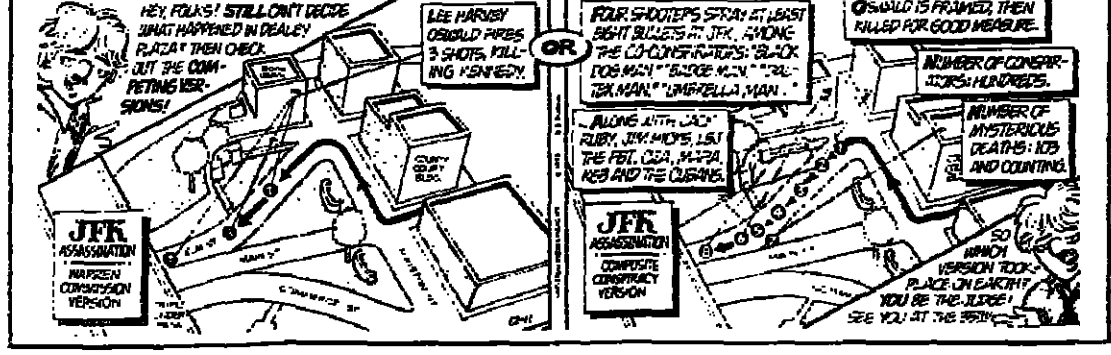
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BEEBLE BAILEY



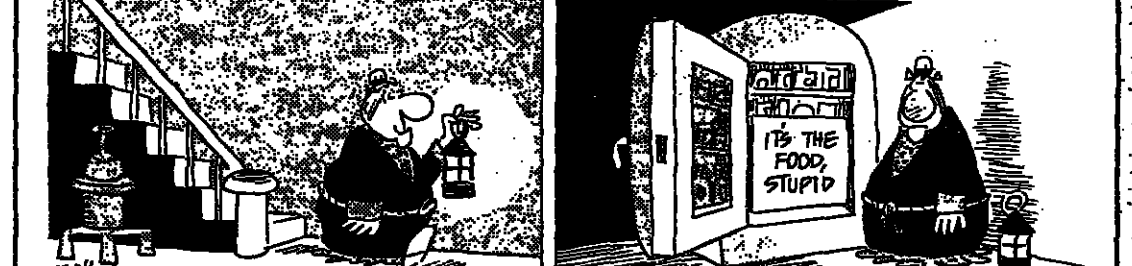
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CALVIN AND HOBBES



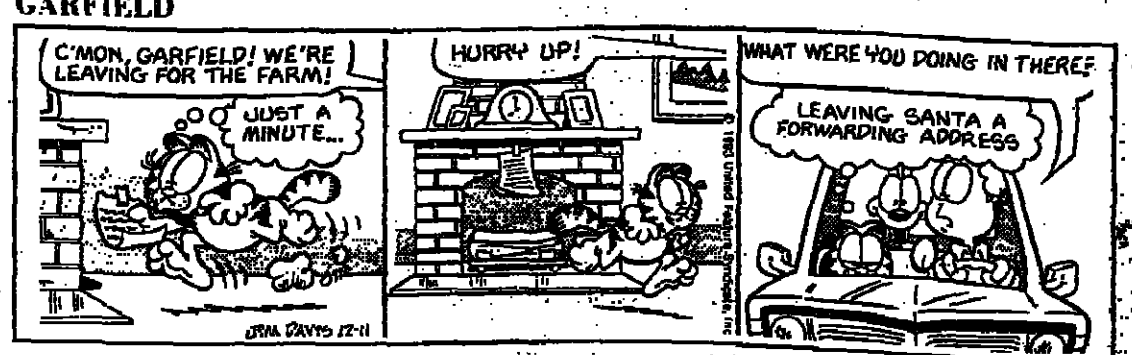
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REX MORGAN



GARFIELD



كسب من المال

SPORTS

So Hard on Prost, Racing Pulls a Punch for Senna

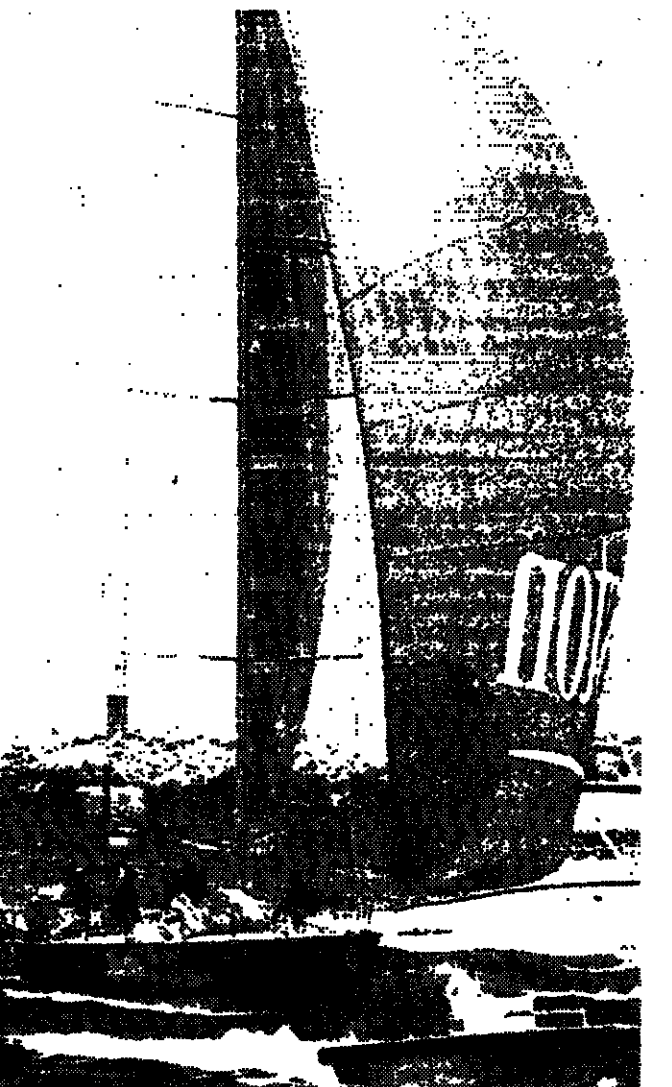
By Brad Spurgeon
Special to the Herald Tribune
PARIS — The International Automobile Federation's decision to give Ayrton Senna a suspended two-race ban for a fight with a fellow driver after the Japanese Grand Prix proves that in auto racing, the word is stronger than the fist.

Before the season started, there was a debate at FISA, which has since been dissolved into the FIA, as to whether Prost should be awarded his suspensions, which all Formula One drivers must have to race. It was a strange thing to be wondering about, given that the man had won more Grand Prix races than anyone in history.

This appeared to be an invitation to the rule-makers to penalize him. The officials said Prost jumped the green light by about a tenth of a second on the start. After leading for several laps, Prost was called into the pits to wait out a penalty of 10 seconds. Senna won, but Prost ended in 4th place.

With Senna five points ahead of him in the championship after four races, Prost's enemies must have felt content. But they decided to make sure that the Frenchman did not get any ideas, so before the next race, the Canadian Grand Prix, they came up with their most playful track stewards in Montreal reported that 24 of the 26 cars were technically illegal and should not be racing.

So the fates were with Prost, not to mention his genius, and he won the fourth drivers' title against the odds and the rule-makers. But since Prost has announced his retirement and Senna next season will be taking his Williams-Renault, the atmosphere has changed in Formula One.



The U.S. yacht Winston, which claimed a time allowance for going to the aid of a rival in distress, entering Fremantle harbor Friday.

A World Club Cup for Soccer?

ZURICH — Soccer's international governing body on Friday unveiled controversial plans for a world club cup to be held every two years.

clubs would welcome a slice of extra television money, many others are deeply concerned at the ever-growing international program. Leading players have also complained at the steady rise in the number of games they are being asked to play with a corresponding increase in injury risks and fatigue.

Brazilian journalist on Friday. Santana, in Tokyo for his team's Intercontinental Cup match against AC Milan, had been approached to become coach of the Japanese national team but the Japanese side reportedly rejected his demands. They are thought to have included a \$2.5 million salary, a full-time interpreter, a physical therapist for the team and a trainer for the goalkeeper.

Citation for Capriati Over a Ring

TAMPA, Florida — The tennis star Jennifer Capriati received a citation after she walked away from a shopping mall stand with a \$15 ring without paying, her agent said Friday.

\$37,108 for the year, with career tournament earnings of \$1,491,823. She has earned millions more from endorsement contracts with Diadora Sports, Prince rackets and products such as Olay, Gatorade, Rolex and Snapple.

SCOREBOARD

Table with columns for BASKETBALL, NBA Standings, and THURSDAY'S RESULTS. Includes Eastern Conference and Western Conference standings.

OLYMPIC SPORTS

Table with columns for Figure Skating, Transactions, and HOCKEY. Includes NHL Standings and Major College Scores.

CRICKET

Table with columns for Second Test, Test Matches, and THURSDAY'S RESULTS. Includes scores for various teams.

Sampras Into Semis Of Slam Cup

MUNICH — World No. 1 Pete Sampras tamed Michael Chang's newly acquired big serve on Friday and reached the semifinals of the Grand Slam Cup with a two-set victory, 7-6 (9-7), 6-3.

Recompense Urged For Mercy Mission

FREMANTLE, Australia — Whitbread officials are being asked to make a "bravery award" that could turn the Leg 2 results upside down and engulf the round-the-world sailing race in controversy.

INTERNATIONAL CLASSIFIED advertisement listing various services like Debut Escort Service of NYC, BELGRAVIA ORCHIDS, BARONESS DE SILVA, and MERCEDES.

DAVE BARRY

Dog Days in Science

M IAMI—I want to talk about the hidden lives of my dogs. Until recently, I wasn't aware that my dogs had hidden lives. There were many times, such as when they'd take turns repeatedly eating a deceased lizard and throwing it back up, when I wasn't even sure they had brains.

thing in the world; the kitchen counter. One time a piece of turkey fell off of it. The dogs still regularly visit the spot where it landed, in case it shows up again.

Reading this book got me to thinking about my own dogs. Did they have a hidden life? If so, could I discover it, and—more important—write a best-selling book?

This is what my dogs are thinking (if "thinking" is the word I want here) as I get up, walk past Earnest, who is now insane with rage, and open the door. Instantly Earnest charges BARKBARKBARK into the hall, narrowly missing Zippy, who is charging BARKBARKBARK into my office. Each one goes about five feet, then—WAIT a minute!—skids to a stop, whirls around, and charges back the other way, still barking. Sometimes they'll pass each other three or four times before they run out of momentum and lie down again, confident that, thanks to their alertness, the house is once again safe.

Humor and Religion: One Man's Roots

By Susan Keselenko Coll

LONDON—"It took me 50 years to be the strenuous, suffering Jew I am," Howard Jacobson observes wryly as a group of unlikely converts to Judaism take a religious plunge into the Atlantic Ocean, "and they want to get there in one day."

The scene is from the writer's latest journey, an ironic but thoughtful exploration of the religion that he has been engaged in cerebral battle with since his formative years in an ethnic Manchester neighborhood.

Like many of his generation, Jacobson says, he always dreamed of escaping his Jewish, working-class roots. He was the first member of his family to attend university, and Cambridge at that. He has since penned four novels and three works of nonfiction, and lives with his non-Jewish wife in an area of London where bagels are in short demand.

But there is more to who we are than how we live: "My own progression from thinking I must have been a switched baby, so Jewish didn't feel, to knowing myself to be so exclusively Jewish that I barely had room to know anything else," he writes, "was not entirely welcome to me."

In a scholarly, measured voice that speaks in stunning contrast to the off-the-cuff, spirited tone of his writing word, Jacobson explains that he embarked on his journey to fulfill an intellectual, rather than a religious need. While the author undertook an extensive study of Jewish law, and found himself increasingly intrigued by his discovery of what he calls "the Jewish mind."

There are people who say you can't say there's such a thing as a Jewish mind," says Jacobson, "because it's all to do with environment. . . . But I bet there is such a thing as a Jewish mind, and I think if you've got one—and if you're Jewish you've got one—it goes back about 5,000 years."

So what is a Jewish mind, precisely? Aside from a tendency toward irony and self-deprecation, which Jacobson feels evolved as the result of being pushed around historically and geographically, the writer sees a commitment to legalistic, moralistic, "you could almost say nit-picking" argument.

"The hunting down of something," says Jacobson, "the fretting and worrying at something which can exhaust the Gentile mind, but which Jews can do with one another ad infinitum."

Jacobson also includes the love of language in his definition. "You have to get the thing right. You have to say it right, you have to mean it right, you have to worry it right. And by making it right intellectually and linguistically, you then make it right morally."



Howard Jacobson: A controversial viewpoint.

oblivious Cambridge Master), one can see the foundations of the journey on which the writer would embark a decade later.

Jacobson was feeling "rootsie," he says, and the need to understand something of the Sefton Goldbergs of the world, as well as the desire to make a unique sort of travel program, drove him to the road. He spends the better part of his travels in the United States, where he mingles with Hasidic Jews in Crown Heights and waits in line to meet the Lubavitcher rebbe while musing on the many ways in which to affix a yarmulke to one's head. He later travels to Los Angeles in search of "beach Judaism" but finds instead "an anxious, buttoned lip, somewhat solemn, somber" community. Rosh Hashanah

in the Catskill Mountains yields his most scorchingly funny material, and his rendition of a series of dinner-table conversations, with arguments about bread rolls and seating arrangements, could be slipped into the script of a Woody Allen movie.

Jacobson travels on to Israel, which he views as the spiritual playground of Americans. Although he hopes to avoid becoming embroiled in Israeli politics, he finds himself drawn into argument just the same. "The politics suck you down like quicksand in this city," he writes of Jerusalem. His consequent stabs at analysis that are interwoven with humor, however, creates a mix that has left some critics uneasy.

One reviewer writing in a London newspaper complained of Jacobson's "trivialization of dangerous and important themes," while another reviewer quipped, "If Jacobson was a kosher restaurant, he'd have his license removed."

Yet in the end, Jacobson is arguably on safe ground, saved perhaps by the "Jewish minds" of those he lambastes. Says the author, "Many Orthodox Jews have said 'We don't agree with a word that you're saying, but keep doing it. At least you're talking about it.'"

"It is part of the intellectual tradition that you don't just revere and venerate," he explains, "but that you battle, that you do verbal battle, often very personally with God, because the Jewish God is one that you can actually engage, you fight with, you go to court and have a legal battle with."

"And the Jews are very good at knowing, particularly the Orthodox Jews, interestingly, that that's so much a part of it, that you actually want it, and welcome it."

His views on religion aside, Jacobson is not entirely a stranger to quarrel. His second novel, "Peeping Tom," was boycotted by local feminist bookshops because of its cover, which depicted a naked woman being "hidden" by a man. And he is still remembered in some literary circles for his outspoken views during a televised Booker Prize ceremony several years ago in which he gave a scathing review of one of the nominated books.

With "Roots Schmoots," the controversy seems set to continue. Although the book will be published in the United States next month by Overlook Press, it remains unclear whether the television program, which received partial funding from the Public Broadcasting System affiliate WNET in New York, will air in America. "There seems to be a political correctness problem, as I understand it," says Jacobson. He has agreed to provide a separate script from the version that aired in Britain last spring, and a PBS spokesman would say only that the program is currently "under review."

At the center of debate are scenes such as one in which Jacobson opines that Christ was wrong, that he was narrow-minded and lacked a sense of humor when he overturned the tables of the moneylenders. For the American version, he says, he has amended the text to read "Jesus was wrong, I think."

Though Jacobson jokes that he could start a new career as a sort of secular rabbi, he has at least temporarily shelved that idea, and is currently at work on a book and television program about the history of humor—a subject as close to his heart as, and possibly inseparable from, religion.

Susan Keselenko Coll is a free-lance writer living in London.

PEOPLE

For 'Sunset Boulevard,' Grand Opening in L.A.

A star-studded audience cheered the U.S. premiere of Andrew Lloyd Webber's musical "Sunset Boulevard" with Glenn Close in the role played by Gloria Swanson on screen. "She was magnificent," said Liza Minnelli. The opening Thursday in Los Angeles came five months after the premiere in London, where it has been playing to full houses, starring Patti LaPore.

Princess Diana appeared close to tears when she was serenaded by 500 well-wishers at a South London community center on Friday. It was the next-to-last official engagement for the 32-year-old princess, who is giving up royal duties in the face of relentless media attention.

Rocker Lenny Kravitz has cut short a tour of Europe after straining a jaw muscle. Kravitz must stop singing for two to three weeks, his agents said.

Leona Helmsley, the so-called Queen of Mean now reinstated as head of a hotel empire, has left her mark on Le Marquis Hotel, the former New York flophouse that serves as a halfway house for federal inmates. At Le Marquis, Helmsley, who was convicted of income tax evasion, was subject to the same inspections of her spartan quarters that every other "client" underwent. "She was very methodical about the towels matching," one resident said.

When Mark Twain wanted to send a manuscript to a friend whose address he didn't remember, he wrote on the envelope: "For MR. C.M. UNDERHILL, who is in the coal business in one of those streets there, and is very respectably connected, both by marriage & general descent, and is a tall man & old but without any gray hair & used to be handsome. BUFFALO N.Y. From MARK TWAIN P.S. A little bird on the top of his head." Somehow, the post office didn't lose it. Neither did Underhill's family, which has donated it to the Buffalo and Erie County Public Library.

INTERNATIONAL CLASSIFIED Appears on Pages 4 & 7

WEATHER

Weather forecast section including Europe, Asia, North America, Europe, Asia, Middle East, Latin America, and Oceania. Includes a map of Europe and text forecasts for various regions.

WEEKEND SKI REPORT

Table with columns for Resort, Depth, Mts., Res., Snow, Last, Comments, and a second set of columns for Resort, Depth, Mts., Res., Snow, Last, Comments. Lists various ski resorts and their conditions.

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